BUILDING ORGANIZATIONAL COMMITMENT: THE ANALYSIS OF INDICATORS

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ABSTRACT

The concept of organizational commitment in recent years attracts a lot of worldwide researchers so far. Apparently, it plays a vital role for both employees and employers. Thus, this paper also wants to target at how to boost organizational commitment by the main factors such as tax, banking, health service, airlines, education and business. The study applied structured questionnaire survey approach for which data were collected from fulltime Vietnamese employees and employers in Vietnamese organizations. The analyzed results demonstrate that organizational identification, intrinsic motivation and extrinsic motivation are the three main indicators building organizational commitment. Moreover, this study hopes to provide the profound ideas into organizational commitment to managerial perspective. The top managers or leaders may take into account these major factors for better organizational outcomes in both public and private sector.

Keywords: Commitment, Identity, Perceived Values, Motivation, Employee Roles.

INTRODUCTION

The term of organizational commitment has become popular to scholars and practitioners over the world. There have been several experimental studies conducted to increase employee commitment to organizations. Considered as organization’s assets, employees play the vital role for several rational reasons. It is believed that employees feel tightly closed to goals and values of the organization toward organizational commitment (Buchanan, 1974; Cook & Wall, 1980). Some researchers reveal that high performance is obviously contributed by highly committed employees than less committed ones (Mowday et al., 1978; Steers, 1977). They will bring more values than those with light commitment. In order to fostering the employees’ commitment, the company should be able to direct employees to its mission, create a sense of community and facilitate them to develop themselves (Dessler, 1999). In other words, people are placed first. Organizational commitment consists of three main categories which are affective commitment, continuance commitment and normative commitment. The first type is affective commitment relates mainly to emotional attachment, identification with and involvement in. The second one is continuance commitment which is based on the leaving organizational costs. Normative commitment is the third type known as a sense of obligation to the organization (Yousef, 2017). The concept of organizational commitment has been defined and conducted in various ways. Buchanan (1974) emphasizes the role of manager’s commitment because managers play an important role to maintain the organization’s health and operations (Buchanan, 1974). Commitment is considered as the link between employees and their organization. It is also
related to valuable outcomes such as job performance, employee satisfaction and turnover (Yahaya & Ebrahim, 2016).

For contributing more empirical results, the purpose of this paper aims to propose a model of antecedents strengthening organizational commitment in the context of Vietnamese organizations in order to help leaders making plans of action or designing suitable and efficient policies for motivating employees to increase their job performance and have more commitment to their organization. The result is collected by the survey of two hundred and forty-nine fulltime Vietnamese employees who are working at about 34 Vietnamese organizations from a variety of sectors such as tax, banking, health service, airlines, education and business. The findings show that three prominent factors positively affecting organizational commitment are intrinsic motivation, extrinsic motivation and organizational identification.

LITERATURE REVIEW

Organizational Commitment

Previously, there was an ambiguity in the concepts of organizational commitment and organizational identification. In recent years, these terms have been discussed theoretically and tested empirically by Gautam et al. (2004). These authors strongly conclude that whereas organizational identification is self-referential or self-definitional, commitment is not and that while identification is related to perceived similarity and shared fate with the organization, commitment is formed by exchange-based factors known as the relationship between the individual and the organization (Gautam et al., 2004). Employees feel more attachment to the organizational goals and values toward organizational commitment (Buchanan, 1974; Cook & Wall, 1980). As reviewed by Mowday et al. (1978), the concept of organizational commitment is defined as from the two main perspectives: behaviors and attitude. It is the relation between an individual’s identification and involvement with the organization in which people work for. Moreover, organizational commitment can be symbolized by at least three elements “1) a strong belief in and acceptance of the organization’s goals and values; 2) a willingness to exert considerable effort on behalf of the organization; and 3) a strong desire to maintain membership in the organization” (Mowday et al., 1978; Steers, 1977) and is a process of identification (Reichers, 1985). From recent researches, according to Yousef (2017), organizational commitment is originated from 3 distinct categories. The first type is affective commitment relates mainly to emotional attachment, identification with and involvement in. The second one is continuance commitment which is based on the leaving organizational costs. Normative commitment is the third type known as a sense of obligation to the organization (Yousef, 2017).

Organizational Identification

It’s quite different from organizational commitment. Organizational identification is self-definitional or self-referential (Gautam et al., 2004). The first term that needs to be explained is identification. It is the role’s defining essence defined by an individual (Ashforth et al., 2008). From his study, Gautam et al. (2004) finds out that organizational identification refers to the individuals’ definition of him or herself (Gautam et al., 2004) and is defined as the perception of oneness or belongingness with an organization where he or she tightly involves in and shares with its successes and failures (Mael & Ashforth, 1992). To some extent, the concept of identification is related to the three dimensions: oneness, loyalty and shared characteristics.
While oneness is the share of common goals with others in an organization, loyalty is shown in terms of attitudes and behaviors protecting the organization. Shared characteristics are what individuals and others in the organization have in common (Lee, 1971). Put it another way, organizational identification is the part of more general definition as identification with a psychological group which is perceptual rather than affective (Albert et al., 2000; Mael & Ashforth, 1992) and it stays when an individual feels proud of being a part of a group and highly appreciates the group’s values and achievements without gaining them as his or her possession (O’Reilly & Chatman, 1986). Importantly, organizational identification has been criticized to help strengthen a sense of meaning, belonging and control at the workplace (Kreiner & Ashforth, 2004). So far forth as Knippenberg’s conclusion, the fundamental difference between identification and commitment originated from the relationship between individual and organization is that whereas identification relates to psychological oneness, commitment shows a bond between separate psychological entities (Edwards, 2005; Van Knippenberg & Sleebos, 2006). Therefore, the authors posit:

\[ H_1 \quad \text{Organizational identification will positively affect organizational commitment.} \]

Besides this, motivation also plays an essential role in forming employees’ commitment with an organization.

**Internal and External Motivation**

There have been some previous studies on motivation and its relationship with organizational commitment (Moon, 2000). Motivation term is commonly defined as a sense of achievement, recognition for high performance, responsibility and individual development and considered as a psychological process of the exchange between individual and environment (Bassett-Jones & Lloyd, 2005; Latham & Pinder, 2005). Two main drivers of motivation are intrinsic and extrinsic (Gagné et al., 2015; Moon, 2000). Whereas the former relates to the state of interest and enjoy, the latter is about doing something for instrumental reasons (Gagné et al., 2010; Katzell & Thompson, 1990). In other words, while intrinsic motivation is linked to work engagement, positive outcomes, productivity, extrinsic one is built by visible incentives (Kuvaas et al., 2017).

From another perspective known as Self-Determination theory, reveals a multidimensional definition of motivation that consists of the two main forms: autonomous and controlled motivation (Gagné et al., 2015).

However, above all, most researchers believe that the role of stimulating employees to raise their voice doesn’t really relate to money and recognition. Those who have a sense of achievement or job importance are likely to have more commitment to an organization. That’s the reason for most authors to confirm that intrinsic drivers dominate extrinsic rewards (Bassett-Jones & Lloyd, 2005; Kuvaas et al., 2017; Moon, 2000; Tremblay et al., 2009). This leads to the following hypotheses:

\[ H_2 \quad \text{Intrinsic motivation will positively affect Organizational commitment.} \]

\[ H_3 \quad \text{Extrinsic motivation will positively affect Organizational commitment.} \]

Motivation cannot be existed without receiving supports from the organization. Perceived organizational support is supposed as the leverage for stronger organizational commitment.
Perceived Organizational Support

Perceived organizational support (POS) is considered as the antecedent increasing employee’s attachment to the organization (Eisenberger & Huntington, 1986; Shore & Wayne, 1993). It results from organization’s treatment to an employee in a wide variety of situations such as illnesses, mistakes, performance and so forth in order to make employee’s job interesting and useful and meets the needs for praise and approval (Eisenberger & Huntington, 1986). Moreover, POS is considered as employees’ perceptions of the organization’s commitment which are relied on how the organization recognizes their contributions and support their well-being (Kim et al., 2016; Shore & Wayne, 1993). Eisenberger et al. (2002) believe that POS relates to meeting employees’ socio-emotional needs and the readiness the organization does to appreciate increased work endeavor (Eisenberge et al., 2002). This term becomes more interesting for recent studies because it positively affects job satisfaction and organizational commitment (Jaiswal & Dhar, 2016). POS will be stronger in case the organization assures to make an employee’s job effective and decrease stressful situations (Rhoades & Eisenberger, 2002). The prominent beneficial influence of POS is that it creates among employees a feeling of obligation to repay the positive treatment they received from their organization (Caesens et al., 2016; Eisenberger et al., 1990). Thus:

\[ H_4 \quad \text{Perceived organizational support will positively affect organizational commitment.} \]

Moreover, in order to partly contribute to the organizational outcome, employee voice also plays an important role.

Voice

In the organizational science, the term voice has been defined in various ways. Farndale et al. (2011) states that voice relates to employees’ ability to affect the outcome of organizational decisions by giving them the chance to raise their ideas (Farndale et al., 2011). Traditionally, it is defined mostly as criticism of one’s work organization but recently voice is defined as offering improvements, discussing problems in the workplace (Cosier et al., 1991). In terms of employee voice, it is originated by several purposes such as rectifying a problem with management, offering a countervailing source of control to management, contributing to improve quality and outcomes, or suggesting long-term viability for organization (Dundon et al., 2004).

In addition, based on Dyne’s study, voice consists of two elements: employees’ complaints or grievance at work to management and employees’ participation in decision-making processes of the organization and is divided into two types: mandated voice and voluntary voice (Dyne et al., 2003). Similarly, Detert & Burris, (2007) claims that voluntary voice considered as upward voice is preferred by communicating suggestions, information or strategies to management (Detert & Burris, 2007; Morrison, 2014). Levels of employee engagement are either directly or indirectly influenced by employee perceptions of voice behavior targeting at increasing job performance (Rees et al., 2013). As the result, the authors propose:

\[ H_5 \quad \text{Voice will positively affect organizational commitment.} \]

METHODOLOGY
The data for research is based on the survey of two hundred and forty-nine fulltime Vietnamese employees who are working at 34 Vietnamese organizations from a variety of sectors such as tax, banking, health service, airlines, education and business. All correspondents are subordinates with various titles from middle managers to staffs. Five-point Likert scale is used to measure those factors with 32 items: totally disagree, disagree, neutral, agree, and totally agree. Before sending these handouts of the questionnaire to correspondents, the authors conduct a pilot test with two focus groups about 20 participants for the clarity and suitability of the questionnaire.

A total of 280 handouts of the questionnaire were delivered within six months in Ho Chi Minh City and other neighboring provinces in southern Vietnam. However, only 249 handouts were returned and valid. Quantitative research is conducted by non-probability sampling and obtained by using EFA, CFA analysis and Structural Equation Modeling. The questionnaire is designed as follow:

**Organizational Commitment**

1. You have warm feelings toward this organization as a place to live and work.
2. You feel yourself to be part of the organization.
3. You like to feel you are making some effort, not just for yourself but for the organization as well.
4. You really feel as if this organization’s problems are your problems.
5. You feel a sense of pride working for this organization.
6. In your work, you are willing to put in a great deal of effort beyond that normally expected. The offer of a bit more money with another employer would not seriously make you think of changing your job.

**Employee Voice**

1. Leaders here at providing everyone with the chance to comment on proposed changes.
2. Subordinates strongly express ideas.
3. Leaders here at listening ideas and suggestions from subordinates.
4. Leaders here at responding to suggestions from employees.

**Internal Motivation**

1. Doing your job well gives you the feeling that you have accomplished something worthwhile.
2. The things you do on your job are important to you.
3. You enjoy this work very much.
4. You have fun doing your job.

**External Motivation**

1. If you produce a high quality of work output, you will lead to higher pay.
2. This job affords you a certain standard of living.
3. It allows you to make a lot of money.
4. Producing a low quality of work decreases your chances for promotion.

**Perceived Organizational Support**

1. The organization is willing to extend itself in order to help you perform your job to the best of my ability.
2. Help is available from the organization when you have a problem.
3. The organization wishes to give you the best possible job for which you are qualified.
4. The organization is willing to help you when you need a special favor.
5. The organization would understand if you were unable to finish a task on time.
6. The organization really cares about my well-being.

Organizational Identification

1. You are proud to be an employee of the organization.
2. You often describe yourself to others by saying “I work for this organization” or “I am from this organization”.
3. You talk up this organization to your friends as a great company to work for.
4. You become irritated when you hear others outside the organization criticize your organization.
5. You have warm feelings toward this organization as a place to work.
6. You would describe your organization as a large “family” in which most members feel a sense of belonging.
7. You are willing to put in a great deal of effort beyond that normally expected to help this organization to be successful.

RESULTS & DISCUSSION

The descriptive statistics result shows that it ranges with mean from 3.41 to 4.0 and its standard deviations fluctuate from 0.756 to 0.976. Moreover, Cronbach’s Alpha ratio is 0.966 (>0.8) with 32 items.

EFA factor analysis is the next step. It is analyzed in two phases. Phase one is for independent variables and phase two is for the dependent one.

In the first phase, five independent variables which are intrinsic motivation, extrinsic motivation, employee voice, organizational identification and perceived organizational support are included in EFA factor analysis with principal components method and rotation Varimax. Specifically, KMO equals to 0.931 (≥0.5) and sig.001 (≤0.05), therefore Bartlett’s Test is statistically significant.

After Rotation method Varimax with Kaiser Normalization, 25 items of independent variables are separated into four factors. Component 1 consists of eight items, however one item IM03 is eliminated because the difference of factor loadings between two factors is less than 0.3. Thus, component 1 contains seven items named Organizational identification: IO1, IO2, IO3, IO4, IO5, IO6, and IO7. Component 2 involves eight items called Employee voice: POS1, POS2, POS3, POS4, EV1, EV2, EV3, and EV4. However, POS2 and POS4 are eliminated because the difference of factor loadings between two factors is less than 0.3. Similarly; component 3 mainly includes four items grouped as extrinsic motivation: EM2, EM3, POS5, and POS6 while POS2 and POS4 are removed. Last but not least, intrinsic motivation is for component 4, mainly containing 5 items: IM01, IM02, IM04, EM01, and EM04. The rest of component 4, item IM03 is dropped because the difference of factor loadings between two factors is less than 0.3. The evaluation of Cronbach’s Alpha after EFA analysis rotated for 4 factors: Organizational identification, Employee voice, extrinsic motivation and intrinsic motivation are simultaneously at 0.922; 0.887; 0.840 and 0.825 with KMO equals to 0.912; 0.866; 0.736; and 0.794, respectively. They all are accepted.

In the second phase, the dependent variable “organizational commitment” is evaluated by EFA analysis. The result is that the evaluation of Cronbach’s Alpha for dependent variable “Organizational Commitment” is .916 which is accepted. Furthermore, KMO equals to 0.931 (≥0.5) and sig.001 (≤0.05) that also mean the Bartlett’s Test is statistically significant and all factor loadings are more than 0.505.
CFA Factor Analysis

The results of CFA are presented as follow: \( P=0.000; \) CFI=0.884; TLI=0.870; GFI=0.781; RMSEA=0.084. According to the conditions with \( P<0.05; \) CFI, TLI\( \geq 0.8; \) GFI is approximately 0.781 and RMSEA is approximately 0.08, they all meet the requirements. Considering the above conditions, the model is consistent with market data.

Based on the results, the parameters (standardized) are statistically significant (\( p<0.05). \) However, three factors IM, EM and IO have significant effects on Organizational commitment with \( P\)-value<0.05, while EV with weight of -0.034 and \( P\)-value 0.635 does not.

According to the regression weight between factors shown, while intrinsic motivation positively affects organizational commitment with weight of .364, extrinsic motivation positively affects organizational commitment with weight of .138.

It is found that empirically, three antecedents mainly affecting organizational commitment are intrinsic motivation, extrinsic motivation and organizational identification but not employee voice. And it may be explained that whereas employee voice is mentioned in the literature of organizational commitment as the outcome of organizational decision, it is insignificant in statistics because if the voice is mandated but not voluntary, in the long run, it will diminish employee’s working enthusiasm and contribution and decrease job performance (Rees et al., 2013).

However, to those three main antecedent influencing organizational commitment, it is obvious that motivation plays an important role in encouraging employees to work much better for higher performance with a sense of achievement, and take more responsibility to their job (Bassett-Jones & Lloyd, 2005; Latham & Pinder, 2005). Both intrinsic and extrinsic motivations really work well. Even though either of them has its own beneficial values, they are all linked to positive outcomes, higher productivity and even more organizational commitment. Employees tend to engage in their work and their organization (Gagné et al., 2010; Katzell & Thompson, 1990; Kuvaas et al., 2017). Apparently, when employees feel engaged, they naturally have the perception of identification. In other words, they have their loyalty and shared characteristics with their organization and its success or failure as well (Lee, 1971; Mael & Ashforth, 1992). Furthermore, they also feel proud of being a part of an organization and highly recommend the organization’s values and achievement (O’Reilly & Chatman, 1986).

CONCLUSION

This study concluded that theoretically, three main indicators that positively affect organizational commitment are intrinsic motivation, extrinsic motivation and organizational identification. Moreover, this study also provides the profound ideas into organizational commitment to managerial perspective. The top managers or leaders may take into account these major factors for better organizational outcomes in both public and private sector.

Specifically, the findings will help leaders making plans of action or designing suitable and efficient policies for motivating employees to increase their job performance and have more commitment to their organization.

RECOMMENDATIONS

In order to facilitate employees to more engage in their job and organization, based on the literature of organizational commitment, there are more factors which have the great impacts on
organizational commitment rather than just these three ones. Therefore, what we should do next is to find out more factors affecting organizational commitment besides what have been investigated in this paper.

REFERENCES


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