



TO UNVEIL THE ASSOCIATION AMID MANAGERIAL POSITION AND THREE-COMPONENT MODEL OF ORGANIZATIONAL COMMITMENT IN IT SECTOR

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ABSTRACT

Organizations thrive to achieve competitive advantage through employees in the backdrop of constant changes both internally and externally. The employee is empowered by the position he/she has in the organization. This study tries to explore the association between managerial position i.e. lower-level, middle-level and executive level and three components of employee organizational commitment i.e. affective, continuance and normative commitment among 550 employees working in ten IT companies in Bengaluru. Cramer's V statistic is used, and the asymptotic significance is obtained as 0.011 (less than 0.05), hence resulting into the inference of dependence between the managerial position and affective commitment. Pearson's Chi square test was performed to see the independence between managerial position and continuance commitment. The P value of 0.062 infer that the two characteristics, managerial position and continuance commitment, are independent of each other. Cramer's V statistic is used, and the asymptotic significance is obtained as 0.000 (less than 0.05), hence resulting into the inference of dependence between the two characteristics, managerial position and normative commitment.

Keywords: Managerial Position, Affective Commitment, Continuance Commitment, Normative Commitment

PROLOGUE

The current milieu of economic ambiguity, swift change, continual globalization, growing competition, and the increase in mobile millennial generation is the backdrop and possible driver of the augmented attention and emphasis on organizational commitment from both academics and consultancy firms. The success or failure of an organization in the challenging time is closely related to the employee's organizational commitment. An employee who is highly committed will stay with the company in not just good times but even otherwise.

The key to quality and productivity improvement is employee organizational commitment. Managers believe that committed employees are more satisfied and adaptable, and it is a precursor to high performance. Committed employees feel they fit in the organization and generally feel they understand the goals of the firm and zealously work

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towards achieving the goals. The additional value of committed employees is they tend to be more determined in their job, show high productivity and are more proactive in offering support to team and organization. Organizational commitment predicts organizational citizenship behavior, turnover and job performance.

THREE-COMPONENT MODEL OF ORGANIZATIONAL COMMITMENT

Meyer and Allen (1991) has contributed immensely in the field of organizational commitment and they proposed three-component model and they are Affective commitment, Continuance commitment and Normative commitment which is used for the study. Affective commitment is the affection for an employee towards his organization, which occurs when he has a robust emotional attachment to the firm. When the employee has high level of affective commitment, the employee enjoys the relationship with the organization and stays in the firm because he wants to stay.

Fear of loss can be termed as continuance commitment. It occurs when you weigh up the advantages and disadvantages of resigning from your job and leaving the firm. The apparent loss can be monetary, which includes salary and benefits. Normative commitment is the obligation to stay in the organization because the employee feels it is the right thing to do. The employee stays because he believes he ought to stay. Normative commitment can be defined as the work behaviour of employees, directed by a sense of duty, compulsion and devotion towards the firm.

LITERATURE REVIEW

Challenges of globalization, stiff competition, rapid change, rise of millennial employees and economic uncertainty have resulted in paying more attention to organizational commitment by scholars and practitioners (Cohen, 2007; Fornes et al., 2008; Gibb, 2011; Meyer et al., 2002; Morrow, 2011). Gallup 2014 studies identified only three in ten employees committed to their organization (Clifton, 2014).

Affective commitment defined by Meyer and Allen (1997) as an individual employee's involvement, identification and emotional connection to the organization. An affectively committed employee remains with the firm since he wants to stay (Meyer and Allen, 1991). Affective commitment was initially considered as a positive work-related attitude (Morrow, 1993). According to Meyer and Allen (1997), many factors influence affective commitment including challenging job, clarity of role and goal, difficulty of goal, co-workers, equity in the firm, recognition, feedback system and employee participation.

Continuance commitment can be defined as mindfulness of the price allied with exiting the organization. This is purely calculative in nature due to the fact that employees assess their cost and risk factors associated with resigning the current job and moving to another one (Meyer and Allen, 1997). Continuance commitment is the analysis of economic benefits gained (Beck and Wilson, 2000). The accumulated investments will be in the form of pension plans, seniority and specific organizational skills. It is an exchange model where loyalty and productivity are exchanged for rewards and benefits (Tetrick, 1995).

According to Allen and Meyer (1997), normative commitment can be defined as a sense of obligation to continue the employment relationship with the firm. The belief of responsibility and compulsion leads to continued association with the organization in employees who are committed normatively (Allen and Meyer, 1990). The employees feel they ought to stay in the firm (Allen and Meyer, 1991). They stay because it is necessary and important for them to remain in the same firm.

OBJECTIVES OF THE STUDY

- i. To explore the association between managerial position and affective commitment level
- ii. To identify the connotation between managerial position and continuance commitment level
- iii. To investigate the association between managerial position and normative commitment level

METHODOLOGY

Primary data was collected using Meyer and Allen (1993) questionnaire. Statistical tools and techniques are utilized to analyze the data. Simple random sampling was adopted to select 550 information technology employees working in Bengaluru. The current study is confined to the managerial position held by the information technology employees and affective, continuance and normative commitment level among ten multinational IT companies in Bengaluru.

ANALYSIS OF DATA

Association between Position in the Organization and Affective Commitment

Null hypothesis: Level of affective commitment is independent of the position of the employees in the organization

Alternative hypothesis: Level of affective commitment is not independent of the position of the employees in the organization.

Bivariate Frequency Distribution for Position in the Organization and Affective Commitment

| Position in the organization | Level of Affective Commitment | | | Total |
|------------------------------|-------------------------------|-----------------------|---------------------|------------------------|
| | Low | Medium | High | |
| Entry Level | 13 12.8 5.7% | 135 149.8 59.5% | 79 64.4 34.8% | 227.0 227.0 100% |
| Middle Level | 18 16.2 6.3% | 206 190.1 71.5% | 64 81.7 22.2% | 288 288 100% |
| Executive Level | 0 2.0 0% | 22 23.1 62.9% | 13 9.9 37.1% | 35 35 100% |
| Total | 31 31 5.6% | 363 363 66.0% | 156 156 28.4% | 550 550 100% |

Note: First row in each cell gives the observed frequency, second row, the expected frequency and the third row, the row percentage.

Since the expected frequency of the cell corresponding to executive level position and low level of affective commitment is 2 which is less than chi square test cannot be used to test the independence of the two characteristics. Hence Cramer's V statistic is used and the

asymptotic significance is obtained as 0.011 (less than 0.05), hence resulting into the inference of dependence between the two characteristics. From the above table, we can observe that there is no executive level employee with low level of affective commitment and maximum percentage of middle level employees have medium level of commitment.

Association between Position in the Organization and Continuance Commitment

Null hypothesis: Level of continuance commitment is independent of the position of the employees in the organization

Alternative hypothesis: Level of continuance commitment is not independent of the position of the employees in the organization.

Bivariate Frequency Distribution for Position in the Organization and Affective Commitment

| Position in the organization | Level of continuance Commitment | | | Total |
|------------------------------|---------------------------------|-----------------------|---------------------|------------------------|
| | Low | Medium | High | |
| Entry Level | 51 41.7 22.5% | 124 132.9 54.6% | 52 52.4 22.9% | 227.0 227.0 100% |
| Middle Level | 45 52.9 15.6% | 181 168.6 62.8% | 62 66.5 21.5% | 288 288 100% |
| Executive Level | 5 6.4 14.3% | 17 20.5 48.6% | 13 8.1 37.1% | 35 35 100% |
| Total | 101 101 18.4% | 322 322 58.5% | 127 127 23.1% | 550 550 100% |

First row in each cell gives the observed frequency, second row, the expected frequency and the third row, the row percentage.

Pearson's Chi square test was performed to see the independence between the two characteristics. The P value of 0.062 infer that the two characteristics are independent of each other.

Association between Position in the Organization and Normative Commitment

Null hypothesis: Level of normative commitment is independent of the position of the employees in the organization

Alternative hypothesis: Level of normative commitment is not independent of the position of the employees in the organization.

Bivariate Frequency Distribution for Position in the Organization and Normative Commitment

| Position in the organization | Level of normative Commitment | | | Total |
|------------------------------|-------------------------------|--------|-------|-------|
| | Low | Medium | High | |
| Entry Level | 25 | 150 | 52 | 227.0 |
| | 21 | 153.9 | 52 | 227.0 |
| | 11.0% | 66.1% | 22.9% | 100% |
| Middle Level | 26 | 202 | 60 | 288 |
| | 26.7 | 195.3 | 66 | 288 |
| | 9.0% | 70.1% | 20.9% | 100% |
| Executive Level | 0 | 21 | 14 | 35 |
| | 3.2 | 23.7 | 8 | 35 |
| | 0% | 60.0% | 40.0% | 100% |
| Total | 51 | 373 | 126 | 550 |
| | 51 | 373 | 126 | 550 |
| | 9.3# | 67.8% | 22.9% | 100% |

First row in each cell gives the observed frequency, second row, the expected frequency and the third row, the row percentage.

Since the expected frequency of the cell corresponding to executive level position and low level of normative commitment is 2 which is less than chi square test cannot be used to test the independence of the two characteristics. Hence Cramer's V statistic is used and the asymptotic significance is obtained as 0.0471 (less than 0.05), hence resulting into the inference of dependence between the two characteristics. From the above table, we can observe that there is no executive level employee with low level of normative commitment and maximum percentage of middle level employees have medium level of commitment. Also, executive level employees have maximum percentage of high level normative commitment.

Association between Position in the Organization and Total Commitment

Null hypothesis: Level of total commitment is independent of the position of the employees in the organization

Alternative hypothesis: Level of total commitment is not independent of the position of the employees in the organization.

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Bivariate Frequency Distribution for Position in the Organization and Total Commitment

| Position in the organization | Level of total Commitment | | | |
|------------------------------|---------------------------|--------|-------|-------|
| | Low | Medium | High | Total |
| Entry Level | 10 | 167 | 50 | 227.0 |
| | 5.4 | 183.7 | 38 | 227.0 |
| | 4.4% | 73.6% | 22.0% | 100% |
| Middle Level | 3 | 260 | 25 | 288 |
| | 6.8 | 233.0 | 48.2 | 288 |
| | 1.0% | 90.3% | 8.7% | 100% |
| Executive Level | 0 | 18 | 17 | 35 |
| | 0.8 | 28.3 | 5.9 | 35 |
| | 0% | 51.4% | 48.6% | 100% |
| Total | 13 | 445 | 92 | 550 |
| | 13 | 445 | 92 | 550 |
| | 2.4% | 80.9% | 16.7% | 100% |

First row in each cell gives the observed frequency, second row, the expected frequency and the third row, the row percentage.

Since the expected frequency of the cell corresponding to executive level position and low level of affective commitment is 2 which is less than chi square test cannot be used to test the independence of the two characteristics. Hence Cramer's V statistic is used and the asymptotic significance is obtained as 0.000 (less than 0.05), hence resulting into the inference of dependence between the two characteristics. From the above table, we can observe that there is no executive level employee with low level of total commitment and maximum percentage of middle level employees have medium level of commitment. Also, executive level employees have maximum percentage of high level of total commitment.

FINDINGS

Cramer's V statistic is used and the asymptotic significance is obtained as 0.011 (less than 0.05), hence resulting into the inference of dependence between the managerial position and affective commitment. Pearson's Chi square test was performed to see the independence between managerial position and continuance commitment. The P value of 0.062 infer that the two characteristics, managerial position and continuance commitment, are independent of each other. Cramer's V statistic is used, and the asymptotic significance is obtained as 0.000 (less than 0.05), hence resulting into the inference of dependence between the two characteristics, managerial position and normative commitment.

CONCLUSION

Position of the employee in an organization has an impact on the employee organizational commitment level. There is no executive level employee with low level of affective commitment and maximum percentage of middle level employees have medium level of commitment. Executive level employees have maximum percentage of high level normative commitment. The researcher identified that executive level employees have maximum percentage of high level of total commitment. This study contributes to the body of knowledge on organizational commitment.

LIMITATIONS

The present study is limited to the city of Bengaluru information technology employees in lower level, middle level and executive level positions. The study can be extended to various sectors and various cities in India.

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