

Effectiveness of Employee Commitment in Organizations: A Literature Review

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ABSTRACT

In order to maintain a firm place in the competitive as well as globalize market, organization needs to have a highly committed work force. No organization can survive for a longer period of time without having commitment of its employees. Yet, like each coin has two sides, negative outcome of a highly committed work force can not be avoided as well. This study tries to explain the concept of organizational commitment of the employees. It also takes a step forward in explaining the factors that affect the employee commitment in organizations as well as the pros and cons of employee commitment in today's era.

Keywords : Employee Commitment, Participative Environment.

Introduction

Organizational commitment is a state in which an employee identifies with a particular organization and its goals and wishes to maintain membership in the organization. Individuals who are committed to the organization may intend to stay, exert greater effort and perform well as they deal with organizational change measures such as downsizing, restructuring, mergers and acquisitions. Sheldon (1972) defined commitment as an attitude or an orientation towards the organizations, which links or attaches the identity of the person to the organization. It is that emotionally satisfying experience, which not only strengthens the bond between an employee and organization, it also adds to their social identity. Studies have shown that individuals who are committed to the organization are less likely to leave their jobs than those who are uncommitted.

Individuals who are committed to the organization tend to perform at a higher level and also tend to stay with the organization thus decreasing turnover and increasing organizational effectiveness. Since employees receive reward in exchange for their contribution to the organization, a proper reward system helps the organizations to obtain their goals and objectives and maintain their production level. If reward systems are fair, then employees show more commitment to the organization. Without proper reward current employees are likely to leave and replacements will be difficult to recruit. Retention of committed employees will not only save the consumption of time, energy and resources which would be required for training new employees, it would also foster the quality of working life and participative management in organizations.

Job involvement fosters a positive work climate which increases employee well being and motivation and this in turn, leads to enhanced productivity, cash flow and market value. Prescriptions such as cost reduction, reengineering and outsourcing, while critically important can not solve the problems of margin pressures, employee commitment is the only way out for value creation through profitable growth.

Factors Affecting Employee Commitment:

Commitment of employees towards their organization is an inevitable part. The climate for innovation may be an important factor related to members' organizational commitment. Human resource practices facilitate innovative ideas in the organization. They actively promote the training and developmental programs for members which encourages innovative ideas. Innovative processes which are essential in initiating new programs in organization are closely related to the various intellectual processes referred to by the human resource practitioners as "problem solving", "productive thinking", invention and the like. Several factors other than innovative climate, determining or effecting the organizational commitment of the members are as follows:

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1. Organizational Values and Rewards- Intrinsic rewards are those that exist in the job itself, such as variety, challenge and autonomy whereas, extrinsic rewards are those that comprise such rewards as pay and fringe benefits, promotions or advancement opportunities within the organization, the social climate, and physical working conditions. Organizational rewards have been found to be positively associated with commitment (Wallace, 1995). Caldwell, Chatman and O' Reilly (1990) have reported that rigorous recruitment and selection procedures and a strong, clear organizational values system were positively associated with employee commitment. Some other researchers have also found organizational values to be positively related to commitment (Chhokar, 1995).

2. Participative Climate- A climate that provides equal opportunities to each member of the organization to participate in problem solving or decision making matters is said to have a participative climate. Some studies have reported that "opportunities for career advancement" and "participative management" are positively correlated with organizational commitment Luthans Wahl and Steinhaus (1992) have found that the perception of a supportive climate had a significant and positive relationship with organizational commitment.

3. Extrinsic Factors- Savery and Syme (1996) found that increased satisfaction with quality of working life (QWL) and extrinsic factors (e.g. evaluation systems) rather than satisfaction with pay or job security had the biggest impact on commitment. Florkowski and Schuster (1992) found profit-sharing support to be an important determinant of organizational commitment.

4. Intrinsic Factors- Some studies have found certain aspects of organizational climate to be significantly related to organizational commitment. Mishra (1992) found organizational commitment to be significantly related to climate dimensions such as scope for advancement, monetary benefits, objectivity and rationality, recognition and appreciation, training and education, and welfare facilities.

Employee Commitment: Pros & Cons-

Pros

- Organizational commitment of employees enables organizations to adjust more easily and quickly to environmental fluctuations. It automatically lessens the tendency of absenteeism.
- With the involvement of employees, organizations need not need to recruit temporary workers. In order to gain popularity and staying power of flexible work arrangements, employers need to stay current with the needs of today's work force, which in result leads to long term commitment of employees.
- The result of employee commitment is, a more efficient workplace, a more flexible job market and greater opportunities for both employers and employees. Additionally, improving productivity enhances a company's bottom line and employee job security.
- Organizational commitment, ultimately leads to save in time, money and energy, as the active and committed work force tries to reach the goals of organization, much more quickly.
- Can lead to a long-term positive relationship with the organization. When an employee finds an organization that provides timely and quality service and referrals, and is experienced and accommodating, the employee wants to work with it exclusively. A good relationship with the employment provider will go a long way toward meeting the company needs.

Cons

- With a long term committed work force, it becomes difficult for the organization to introduce innovative techniques, as the tendency of resistance to change increases within the workforce as they get more used to with the existing working conditions.
- With full commitment of the permanent employees, the organization can not gain the benefits of recruiting fresh brains having creative ideas.
- Due to loyalty towards the present organization, the employees miss the chance of further job opportunities.

Although there exist certain demerits of employee commitment, yet an organization can not move ahead an inch without a committed work force. Human Resource practices are trying out different ways to maintain as well as enhance the commitment of employees of the organization.

Commitment in Organizations:

HYUNDAI MOTOR MANUFACTURING ALABAMA, LLC : Hyundai Motor Manufacturing Alabama, LLC (HMMA), is Hyundai's first assembly and manufacturing plant in the United States. This \$1.4 billion automotive plant is one of the most advanced assembly plants in North America. HMMA currently employs more than 3,300 team members who are building Hyundai's next generation Sonata sedan and the all new Santa Fe sport utility vehicle (SUV) at the Hyundai Alabama plant. The story of success of the company is a result of committed members.



NOKIA Connecting People-

Inventions of new strategies in mobile industry has also been possible due to the employees' commitment to achieve the target of the organization.

Conclusion- People working in an organization without getting emotionally attached with it can ultimately have the tendency of job shifting with no stability and peace of mind. Therefore, commitment or attachment of employees towards their organization is as necessary as a body having a heart to be alive. Neither an organization nor a work force can exist for a long period of time if they have no commitments for each other. Thus, organization should find out different ways in order to maintain an active and loyal workforce.

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