Affective, Continuance and Normative Commitment Among Knowledge Based Workforce

Its Relationship and Impact on ITES Industry

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Abstract

There is positive relationship between commitment and type of employee. The result shows high affective and normative among knowledge workers. Using structural equation model, we find a strong relationship between affective, normative and continuance among middle management. The sample was collected from IT and ITES industry of National Capital Region, total 50 managers of technical process. The study reflects high level of emotional attachment among knowledge workers as compared to need to or ought to.

Keywords: *Loyalty, Emotions, IT Industry, Engagement and Psychological Contract.*

BACKGROUND

Be loyal to the company, and the company will be loyal to you, a mutual relationship as reflected in reserach (Mowday, Porter, & Steers, 1982), obviously understates the complexity involved in a person's attitude and behaviour towards employer. Organizational commitment has been defined as a

psychological state that binds an employee to an organization, thereby reducing the incidence of turnover (Allen & Meyer, 1990), and as a mindset that takes different forms and binds an individual to a course of action that is of relevance to a particular target (Meyer & Herscovitch, 2001). Mowday, Porter & Steers (1982) outlined the distinction between attitudinal commitment, a mindset in which individuals consider the congruency of their goals and values with those of their employing organizations, and behavioural commitment, the process by which individuals past behaviour in an organization binds them to the organization. In multidimensional model of organisational commitment, it has been conceived that attitudinal and behavioural commitment, were complementary and integral.

With almost every industry struggling with employee retention, there seems to be heavy need in understanding that every job has two contracts- one employment contract and second psychological contract. Employment contract defines the norms of job, exchange of pay for service and documentation of essentials whereas psychological contract sets commitment, satisfaction and stability in the job. Psychological contract remain different for each individuals who starts evolving after joining, leaves a deep impression in decision making and eventually if worked out well by employee and employer fetches long association in terms of commitment and retention. The contract is an intangible contact with different meaning to different employees. In case there is a negative relationship between affective, normative and continuance commitment, a member intends to voluntarily leave whereas in case of high relationship between affective, normative and continuance commitment, a candidate

intends to continue. Therefore, low affective, normative and continuance commitment increases the likelihood to exit while high between affective, normative and continuance commitment increases the likelihood to stay, in the organisation.

INTRODUCTION

Organisational Commitment is an attachment employee feels towards an organization. It may be measured by the degree to which an individual is ready to adopt organizational values and goals. It may be measured by the degree to which an employee fulfils his/her job responsibilities. And it may also be measured by behaviour observed in the workplace.

Meyer and Allen's (1991) three-component model of commitment was created to argue that commitment has three different components that correspond with different psychological states. *Affective commitment* represents emotional attachment to an organization. If one hashigh level of affective commitment, he or she enjoy relationship with organization and likely to stay because his or her own emotional connect to the workplace. *Continuance commitment* represents degree which onebelieves that leaving the organization would be costly. His or her decision to stay was need based on cost benefit analysis, the day cost increases they may leave. *Normative commitment* represents degree to which one has self belief, that staying in the organisation is right thing to do. The decision making was on the basis of positioning and strong feeling for organisation to stay. The three components have significant effect on retention, work performance, and member well being. The difference between affective commitment and continuance commitment is that employees high in affective commitment stay with the

organization because they want to, while employees high in continuance commitment stay because they have to (Meyer et al., 1989).

Table 1: Three Components of Commitment

Component	Meaning	Behaviour	Consequence
Affective	Want to stay	Emotional	Citizenship behaviour
Continuance	Must stay	Need	Employee engagement
Normative	Ought to stay	Feeling	Job Satisfaction

Knowledge based work can be differentiated from other forms of work by its emphasis on 'non-routine' problem solving that requires a combination of convergent, divergent, and creative thinking. Knowledge Based Workforce directly connects to the concept of human capital wherein the nature of work involves more technical know-how. In India, generally Information Technology (IT) and Information Technology enabled services (ITES) both are considered into knowledge based industry. This industry is primarily service oriented, wherein the creation and retention of knowledge in terms of manpower is wealth.

LITERATURE REVIEW

OC was defined by great number of researchers, but the first time Becker (1960) defined it as the availability of each individual to engage in a consistent and continuous way into organization's activities. Another approach was proposed by Steers (1977), according to whom OC represents a powerful identification of each individual to the organization and his implication in its activities. Hofstede (1980) found that affective commitment was the most desirable form of commitment but ethnocentric and normative commitments might be better predictors than affective commitment in collectivist cultures that emphasize strong social ties (and obligations) and in cultures characterized by uncertainty avoidance where loyalty was considered a virtue. Wiener (1982) observed the presence of personal sacrifice and lack of alternatives for the development of OC. Allen & Meyer (1990) explained that Organizational commitment could be described as a psychological state that keeps the individual in the organization. This definition only indicates a forceful binding of an individual to an organisation and may be as a result of some contractual bindings. Researchers have also identified a third dimension of organizational commitment, which they describe as normative commitment. This form of commitment concerns a feeling of (moral) obligation to remain in the organization. Later on Morrow (1993) sustains that OC is the psychological and emotional attachment of individuals to the organization. Similar to the above definition by Researchers also defined commitment as a force that binds an individual to a course of action of relevance to one or more goals. However, Narteh B (2009) also particularly defined employee commitment as a felt state of employees' attachment to their organizations, including their willingness to internalize the values of the organization and abide by the rules and regulations therein. The importance of the employee's commitment for reaching the highest grade of quality of services was emphasized by the theorists and also by the practitioners (Heskett et al., 1994; Larson & Sasser, 2000). Later, Greenberg and Baron (2000) define OC as 'the measure in which an individual identifies itself and is implicated in the organization or the extent in which the individual is willing to leave' (Greenberg &

Baron, 2000). Even so, the most representative definition of OC was enunciated by Porter et al. (1974) who say that OC is 'the strength of an individual's identification with and involvement in a particular organization', and it is characterized by three factors: 'the belief in and acceptance of organizational goals and values; a willingness to exert effort; Employees' Organizational Commitment Challenges maintain membership of the organization' (Porter et al., 1974).

Most of the studies conducted on organizational commitment have focused on private sector organizations. Few studies have examined public sector employees (for exceptions see Balfour and Wechsler, 1996; Goulet and Frank, 2002). Comparative studies of both sectors have consistently demonstrated that private sector employees exhibit greater organizational commitment than public sector employees. Then later it was argued by Buchanan (1974), who found that public sector managers were less committed than private sector managers. He argued that broad public sector agencies goals lead to weak performance-outcome link. Therefore, managers in the public sector identify less with organizational goals as compared to private sector.

Many factors influence employee commitment. These include commitment to the manager, occupation, profession, or career (Meyer & Allen, 1997).Research also found that commitment was significantly related to trust, job involvement, and job satisfaction. Angle & Perry (1981) uncovered a relationship between commitment and turnover. Wiener & Vardi (1980) reported positive correlations between commitment and job performance. Research has also linked organizational commitment to leadership behaviors that are relations-oriented and task-oriented. Jermier

& Berkes (1979) discovered that employees who were allowed to participate in decision-making had higher levels of commitment to the organization. DeCotiis & Summers (1987) found that when employees were treated with consideration, they displayed greater levels of commitment. Bycio, Hackett, & Allen (1995) reported positive correlations between the leadership behaviours of charisma, intellectual stimulation, individualized consideration, and contingent reward and affective, continuance, and normative commitment. Concerning withdrawal behaviours, research has focused primarily on the direct effects of job satisfaction and commitment, with results being, for the most part, weak to moderate (Hackett, 1989; Mayer and Schoorman, 1992; Terborg et al., 1982). impacts of employee engagement on organizational commitment, Schaufeli and Salanova (2007) studied work engagement and found that when engagement level increases the level of organizational commitment increases as well and, moreover, enhances job satisfaction, higher performance and reveals a greater demonstration of personal ideas, higher attendance and lower turnover rates, improved health and security, proactive behavior and learning motivation. Several studies have suggested that committed employees perform better than non-committed ones.

Sinha (1977) in a survey of Indian organizations found that a large percentage of studies on OC considered commitment of managers to be one of the important issues facing organizations. Punekar and Haribabu (1978) noted that adequate study has not been done on value orientation and suggested that commitment was basically a value orientation of the individual or group and comprises of values namely 'performance value' and 'discipline value'. Organizational

identification and generalized values of loyalty and duty are viewed as immediate determinants. Thus commitment can be influenced by both personal dispositions and organizational interventions. He also identified three qualitatively different types of loyalty like 'blind loyalty', 'moral obligation', and 'balanced commitment'. Becker and Billings (1993) discussed OC in terms of four dominant profiles – 'locally committed', 'globally committed', 'committed' and 'uncommitted'. Newman and Krzystofiak (1993) studied the negative impact of mergers/acquisitions and found in part to be because of misinformation. Cameron (1994) studied the effects of lay-off and downsizing on OC and found that the results were based on the perception of the fairness of lay off. McCaul et al. (1995) found that the OC could be conceptualized as employee's global attitude towards the organization.

OBJECTIVE OF THE STUDY

- To identify most important component of three-factor model of Organisational Commitment Behaviour among knowledge based employees.

- To identify relationship among each component and model it with reference to knowledge based employees in Information Technology Enabled Services (ITES) industry.

RESEARCH MODEL AND HYPOTHESIS

On the basis of objective defined above, we further elaborate an associations between affective, normative and continuance commitment behaviour among knowledge workers. We draw a research model that

emerges from the above literature review. Figure 1 shows that Knowledge based employees build a positive association with commitment behaviours and all types of commitment are closely associated with each other.
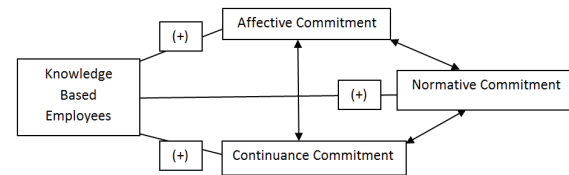

Figure 1: Association between Three Commitment Behaviours and Knowledge Based Employee in ITES Industry

Research has found a consistent positive association between affective and normative commitment (Meyer & Allen, 1997; Meyer et al., 1989), few authors further argued that although affective and normative commitment are positively associated, this does not mean that continuance commitment is redundant. Continuance commitment, however, can also refer to the material sacrifices of leaving the job. People may have, for example benefits, which make them to believe that they are in the organization because they need to do so. These beliefs, however, can be attenuated by factors that can change individuals' attitudes (Meyer & Allen, 1997).

H$_1$: **There is a strong association between affective and normative than continuance for knowledge based employees.**

Few researchers have found that normative commitment has weak associations with several variables that usually does notcorrelate strong with affective commitment (e.g. distributive justice), which in turns reflects some discriminant validity of the normative commitment scale. However, normative commitment seems to capture something different that affective commitment, and

thus, may be affected by other factors that can influence the two other types of commitment to the organization (Allen & Meyer, 1990).

H₂: There is a strong association between affective and continuance than normative for knowledge based employees.

According to Allen and Meyer (1990), affective, continuance, and normative commitment refer to different dimensions of the same phenomenon. Affective commitment refers to the employees' identification with, involvement in, and emotional attachment to the organization. Continuance commitment refers to the employees' recognition of the costs associated with leaving the organization. Normative commitment refers to the employees' sense of loyalty or moral obligation toward the organization. Solinger et al., (2008), nevertheless, argue that such three dimensions may be different types of commitment rather than dimensions of the same construct. Because affective, continuance, and normative commitment are conceptually different, it is not that surprising that they predict different behaviours (Solinger et al., 2008).

H₃: There is a positive relationship among affective, normative and continuance commitment behaviour of employees at middle level management.

RESEARCH METHODOLOGY

The research design is a non-experimental cross-sectional field study using survey methodology. The technique of sample collection was judgemental. 50 employees working into various profiles of ITES industry were chosen. The sample was from Noida at middle level management. On an average, number of experience by each employee is 10

years, maximum to 16 years and minimum of 5 years. The sample was heterogeneous in age, gender, type of work and experience. The questionnaire was easy and understandable, handed over to each respondent with the prior permission, during office hours. The originalsurvey contained 35 items, on a scale of a seven point agreement-disagreement Likert format, with 1 = stronglydisagree and 7 = strongly agree.

MEASURES

Organizational commitment. In this study, affective, continuance and normative organizationalcommitment are measured using Allen and Meyer's (1990) scale. This scale consists of 8 items for each one of the organizational commitment dimensions. Weused these scales because previous studies report high reliability estimates (usually alldimensions' Cronbach's alpha > 0.7) and there is reasonable evidence of their construct validity. In sum, the survey contained 24 questions but only 19 were used togauge organizational commitment, as 6 were not much suitable to ITES Industry.

RESULTS AND FINDINGS

In our results also the KMO and Barlett Test is adequate enough to proceed further with the test. On all dimension, Cronbach's alpha > 0.7, exactly .713 which is represent reasonable strength in construct.

Table 2: KMO and Barlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.713
Bartlett's Test of Sphericity	Approx. Chi-Square	651.866
	df	171
	Sig.	.000

Table 3: Extraction Method: Principal Component Analysis

	Total Variance Explained					
Component	*Initial Eigenvalues*			*Extraction Sums of Squared Loadings*		
	Total	*% of Variance*	*Cumulative %*	*Total*	*% of Variance*	*Cumulative %*
1	6.904	36.339	36.339	6.904	36.339	36.339
2	2.487	13.090	49.428	2.487	13.090	49.428
3	2.186	11.504	60.932	2.186	11.504	60.932
4	1.441	7.582	68.514	1.441	7.582	68.514
5	1.171	6.163	74.677	1.171	6.163	74.677
6	.862	4.537	79.214			
7	.788	4.146	83.361			
8	.651	3.426	86.787			
9	.532	2.800	89.587			
10	.409	2.151	91.738			
11	.364	1.917	93.655			
12	.273	1.436	95.091			
13	.229	1.206	96.297			
14	.215	1.129	97.426			
15	.178	.935	98.361			
16	.097	.510	98.871			
17	.095	.500	99.371			
18	.067	.354	99.725			
19	.052	.275	100.000			

The total variance is explained with 5 components with 74.6% of total extraction.

Table 4: Extraction Method: Principal Component Analysis

Component Matrix[a]					
	Component				
	1	2	3	4	5
Family					.800
Emotion	.633				
Meaning	.597	.552			
Belongingness	.625	.506			
Loyalty	.724				
Proud		.577			
Happy	.621	.504			
Real	.625			.564	
Position line up	.588		.677		
Disrupt life					
Costly	.652				
Necessity					
Sacrifice	.647				
No obligation	.741				
Do not feel	.675				
Guilty	.691				
My loyalty	.685	-.572			
Obligation	.693				
Great deal	.536				
a. 5 components extracted.					

The component matrix explains five major components (Table 4) within which 19 factors are explained. These factors basically include family, loyalty and no obligation at highest level followed by sacrifice, guilty and obligation. To establish relationship between variables, factorisation through data reduction

was done, which in turn merged 19 factors into 5. In order to establish a SEM model, the data is always processed through principal component matrix as the data is consolidated and reduced.

Further to test hypotheses, Structural equation Modelling is used as a tool. The CMIN/DF is 2.727, which shows that the factors are in well fitted in model. The variables are showing appositive relationship with each other. As shown in Figure 1, the relationship among factors can be only studied only on the basis of their goodness of model fit index.

Table 5: Goodness of Model Fit Index

CMIN

Model	NPAR	CMIN	DF	P	CMIN / DF
Default model	66	569.953	209	.000	2.727
Saturated model	275	.000	0		
Independence model	44	1004.383	231	.000	4.348

Table 6: Shows the Quantum of Relationship between Each Commitment

Result 1: Correlations: (Group number 1 - Default model)

			Estimate
Normative	<-->	Affective	.723
Normative	<-->	Continuance	.778
Affective	<-->	Continuance	.670

Hypothesis 1 predicts a strong association between affective and normative commitment for knowledge based employee. In knowledge based industry the division of labour is always on the basis of specialisation which ensures an individual interest.

Hypothesis 2 predicts a strong association between affective and continuance for knowledge based employees. The hypothesis holds true. In knowledge based industry, the jobs are generally project based wherein the intensity of commitment is higher than routine hobs, because an individual role is integral for over all completion of the project.

Table 7: Shows the Association between All Three Commitments

Result 2 : Covariance: (Group number 1 – Default model)

			Estimate	S.E.	C.R.	P	Label
Normative	<->	Affective	.723	.068	10.625	***	
Normative	<->	Continuance	.778	.058	13.329	***	
Affective	<->	Continuance	.670	.078	8.582	***	

Hypothesis 3 predicts a strong association between all three types of commitment. At middle management level, their co exists a strong connect between – affective, normative and continuance. The close relationship among all is evident from Table 6, where in P value is significant.

DISCUSSION

In explaining the significance of organizational commitment, Meyer & Allen (1997) refer to Morrow & McElroy's (1993) and developed a framework that was designed to measure three different types of organizational commitment:

(a) Affective commitment refers to employees' emotional attachment, identification with, and involvement in the organization. Employees with a strong affective commitment stay with the organization because they want to.

(b) Continuance commitment refers to employees' assessment of whether the costs of leaving the organization are greater than the costs of staying. Employees who perceive that the costs of leaving the organization are greater than the costs of staying remain because they need to.

(c) Normative commitment refers to employees' feelings of obligation to the organization. Employees with high levels of normative commitment stay with

the organization because they feel they ought to.

According to the results, relationship between affective and normative vis-à-vis affective and continuance has strong association. In a way it reflects that ITES industry create opportunities for employees to involve and participate. Reports have also proved that IT and ITES industry have also taken many innovative practices and initiatives to keep up the employees' higher motivation to stay. In other words, higher the attachment of employee longer is the stay with organisation.

Also there is a strong association between normative and continuance, which reflects the strong and firm policy framework of organisation which intends to build a long term association of employee to the firm, which in turn helps retention. To summarise, knowledge based employees are highly retained by employee engagement initiatives by the company and their policies. So the organisation which establishes a strong strategic orientation with employee friendly practices has proved to be one of the factors of employee retention and commitment.
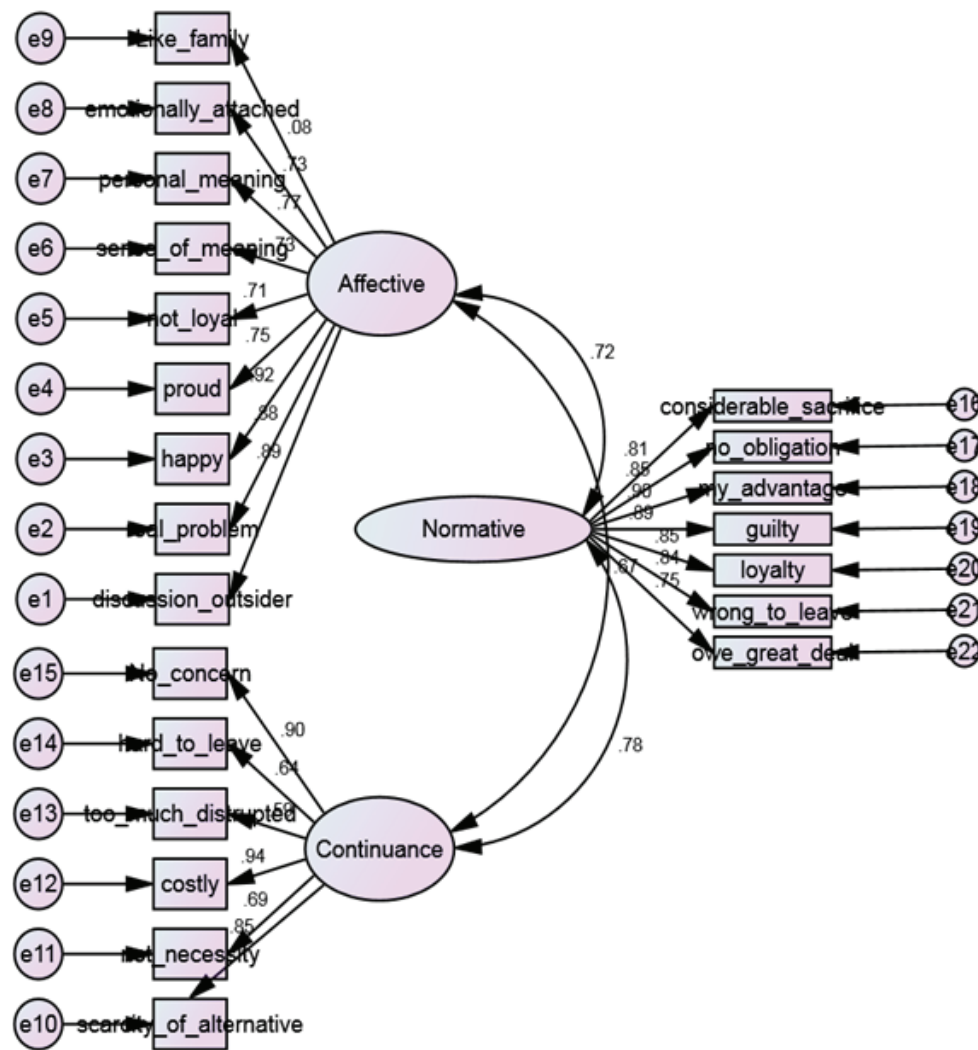

Figure 2: Structural Equation Model of Knowledge Workers in ITES industry

FUTURE RESEARCH

The study can be further extended to other industries as well. IT and ITES industry has its own constraint as the types of work is very specialised and non routine wherein generally the ownership is high, so it can be further tested and studied in reference to regular and routine task as well. Commitment entails many factors, which can also be taken into consideration, while doing future researches. The study covers only middle management employees, thus leaves a huge scope for studies into other level of management.

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