

An empirical study to determine effective factors on organizational commitment

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ABSTRACT

Organizational commitment plays an important role on the success of business units. Many companies rely on their human resources and when some skilled employees leave an organization, there would be a chaos in some organizations especially in small business units. The proposed study of this paper gathers the necessary information from 200 employees who work for custom organization in Iran. The results of factor analysis have indicated there are four factors influencing organizational commitments. The first factor is associated with cultural factor, the second issue is related to human resource based factors while the third factor indicates the behavior based factors and finally empowering based factors are the last item. The ratio of Chi-Square/df is equal to 2.66, which is less than 3 and this validates the results. We have also used structural equation modeling and the results show that the third factor, behavior based components, is the most important factor followed by the second factor, human resource factor. In addition, the third important factor is cultural issues followed by empowering factors.

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1. Introduction

Organizational commitment plays an important role on the success of business units. Many business units rely on their human resources and when some skilled employees leave an organization, there would be a chaos in some organizations especially in small business units. Therefore, we need to find the effects of different factors influencing on organizational commitment such as age, gender, etc. Despite the fact that there has been no crystal clear explanation on how age, education and tenure are associated with the organizational commitment, there are some investigations that age and tenure is positively associated with the commitment. Thus is due to the fact that senior workers are normally more satisfied with the organizations and they have better positions at work and they there is a weaker possibilities to have the new job suggestions (Allen and Meyer, 1990).

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Allen and Meyer (1997) presented a three-component structure of organizational commitment to study of workplace commitment and there are different studies, which have guaranteed the accuracy of the model. There are also several studies for critical analysis of the organizational commitment framework proposed by Meyer and Allen and investigated the validity of its constituent subscales for the measurement of Affective Commitment (AC), Normative Commitment (NC), and Continuance Commitment (CC). These studies have identified the critical issues, which need to be addressed to incorporate the accuracy of Meyer and Allen's model.

Jusoh et al. (2011) performed an investigation to find out the effects of various factors on organizational culture, communication, leadership, decision-making, motivation, team working and development. The survey gathered the necessary information based on a set of self-administered questionnaires from 128 graduates. They reported that significant expectation gaps existed in all mentioned aspect, while communication, decision making and motivation were reported to be significantly associated with job satisfaction and none of the seven variables was realized to be substantially correlated to organizational commitment. These results were also discussed earlier by Kass (2008). Other researchers have reported that organizational commitment was associated with work motivation (Meyer et al., 2004) and locus of control (Silva, 2006). In addition, Silva (2006) recommended that people who are extraverted, conscientious, and emotionally stable are more likely committed employees but they Silva not reported any relationship between organizational commitment and agreeableness.

Dixon et al. (2005), in other investigation, studied some challenging keys including an investigation of affective organizational commitment in undergraduate interns and reported that there are some relationship between commitment and job experience. According to Endriulaitiene and Valantinas (2003) it makes sense to think that tenure could have various sense in Lithuanian organizations and the focus solely on individual-level factors could fail to detect important sources of variance. It is also possible that Lithuanians were quite uncertainty avoidant, so they stay in organizations longer to prevent the uncertainty in their lives.

Kinman (2007) in an assignment investigated an effort-reward imbalance over-commitment and work-life conflict by examining a comprehensive model and discussed their findings. Personality traits could impact the intentions – turnover relationship but human recourse specialists often consider turnover intentions as the most important precursor of turnover behavior. Allen and Meyer (1990) explained that intention to leave the organization was negatively associated with all three components of organizational commitment. Allen et al. (2005), in other study, indicated that the best predictors of behavior, many individuals who intend to quit their jobs do not do that. Stallworth (2004) in another study investigated on antecedents and consequences of organizational commitment to accounting organizations.

Labatmediene et al. (2007) examined the three-component model including emotional, continuance and normative components of organizational commitment in the Lithuanian population. The paper also investigated the relationships among individual factors including age, gender, personality traits and organizational commitment. The paper also tried to test the hypothesis as to whether there was any relationship between organizational commitment and intention to leave the organization in the Lithuanian sample. The results of their study disclosed that the three-component figure of organizational commitment was valid in Lithuanian sample. However, there was no substantial relationship between personality traits and organizational commitment, but there was a relationship between organizational commitment and intension to leave the organization. They also reported that there was a meaningful relationship among organizational commitment, age, and the level of education.

Williams (2008) demonstrated the diverse stories on the outlook of employment adopt a similar storyline, and revealed how most visions could squeeze all forms of employment into one side or other of some dualism. He also ordered the two sides into a temporal and/or normative sequence in which one side was considered as universally replacing and/or more progressive than the other. The paper also represented this one-dimensional linear trajectory by concocting some label to represent their vision.

In this paper, we present an empirical study to measure the effects of different factors influencing organizational commitment using factor analysis and structural equation modeling. The organization of this paper first presents details of our questionnaire in section 2 and section 3 explains details of our findings. Concluding remarks are given in the last to summarize the contribution of the paper.

2. The proposed study

The proposed study of this paper gathers the necessary information from 200 employees who work for custom organization in Iran and KMO test was employed to examine the results and find out whether we can reduce the number of important factors. The result of KMO test was equal to 0.788 with significant level of 0.000. In addition, Chi-Square test yields 1068.63 with 153 degree of freedom associated for Bartlett test, which means that there are good evidences to believe that we are able to reduce the number of influencing factors. In other words, we can conclude the correlation matrix among factors does not identity matrix and from one side, there are some strong correlations among factors and from the other side there is no correlation between one factor and other factors. The validate the results we also use factor analysis using principle component analysis with Varimax rotation technique.

3. The results

3.1. Factor analysis

The first part of this survey is associated with factor analysis. The proposed study of this paper has extracted four components using principle component analysis with 53.89% of accumulated valiance. Table shows details of our analysis,

Table 1
The results of factor analysis

Factor	1	2	3	4
Question 1			0.412	
Question 2	0.639			
Question 3	0.654			
Question 4	0.702			
Question 5	0.691			
Question 6	0.641			
Question 7	0.567			
Question 8			0.627	
Question 9			0.705	
Question 10			0.766	
Question 11			0.585	
Question 12				0.749
Question 13				0.720
Question 14				0.450
Question 15		0.690		
Question 16				0.587
Question 17		0.730		
Question 1		0.670		
Cronbach alpha	0.778	0.696	0.70	0.627
Accumulated variance	28.79	10.2	8.18	6.71

As we can observe from the results of Table 1, first factor includes questions 2, 3, 4, 5, 6 and 7. The second factor includes questions of 11, 15, 17 and 18 while the third factor consists of factors 1, 8, 9 and 10. Finally, the fourth factor includes questions 12, 13, 14 and 16. In order to make sure that these factors are final factors in our investigation and there is no other factor involved we have performed an exploration factor analysis based on Varimax rotation. The results have confirmed our previous results and we can summarize the results as follows,

Table 2

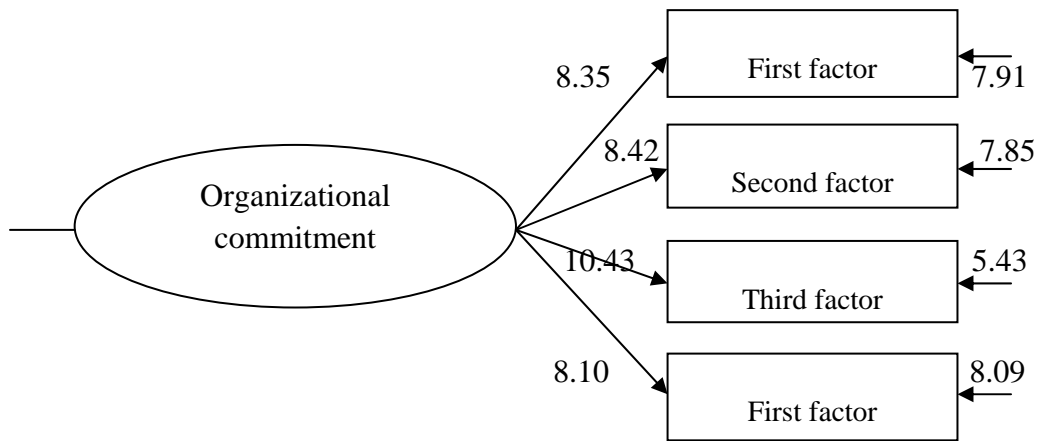
The results of confirmation factor analysis using Varimax rotation

Factor	Wight	Statistics	Value
Cultural based factors	0.734	Chi-Square	343.26
Human resource factors	0.735	df	129
Behavior based factors	0.810	Chi-Square/df	2.66
Empowering based factors	0.739	RMSEA	0.091
Total	56.99		

As we can observe from the results of Table 2, the first factor is associated with cultural factor, the second factor is related to human resource based factors while the third factor indicates the behavior based factors and finally empowering based factors are the last item. The ratio of Chi-Square/df is equal to 2.66, which is less than 3 and this validates the results.

3.2. Structural equation modeling

We also perform structural equation modeling technique to study the relationship between organizational commitment and other four factors extracted earlier from factor analysis. Fig. 1 shows details of our findings,



RMSEA=0.091 P-value=0.07203 Chi-Square=5.26 df=2

Fig. 1. The proposed structural equation modeling along with t-student values

As we can observe from the results of the implementation of structural equation modeling using LISREL software package, when the number of observation exceeds 30, we may use t-student to verify the hypothesis. The results of t-student values are 8.35, 8.42, 10.43 and 8.10 for the first, the second, the third and the last factors, respectively. When we consider the level of significance of five percent, the critical t-student is equal to 1.96 and all mentioned t-student values are greater than this critical value, which means the null hypothesis can be rejected and we can conclude there are some meaningful relationships between organizational commitment and four factors. In summary we can

conclude that the third factor, behavior based components, is the most important factor followed by the second factor, human resource factor. In addition, the third important factor is cultural issues followed by empowering factors.

4. Conclusion

In this paper, we have presented an empirical study to measure the effect of various factors on organizational commitment. The proposed study of this paper gathers the necessary information from 200 employees who work for custom organization in Iran and KMO test was employed to examine the results and find out whether we can reduce the number of important factors. The result of KMO test was equal to 0.788 with significant level of 0.000. In addition, Chi-Square test yields 1068.63 with 153 degree of freedom associated for Bartlett test, which means that there are good evidences to believe that we are able to reduce the number of influencing factors. The results of factor analysis have indicated that there were four factors influencing organizational commitments. The first factor was associated with cultural factor, the second factor was related to human resource based factors while the third factor indicated the behavior based factors and finally empowering based factors were the last item. The ratio of Chi-Square/df is equal to 2.66, which is less than 3 and this validates the results. We have also used structural equation modeling and the results showed that the third factor, behavior based components, was the most important factor followed by the second factor, human resource factor. In addition, the third important factor was cultural issues followed by empowering factors.

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