A Study about Employee Commitment and its impact
on Sustained Productivity in Indian Auto-Component Industry

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ABSTRACT

Purpose: The business organizations are aware of the importance of employee commitment and its role in motivating employees. The purpose of this study was to identify the impact of Employees’ Commitment on sustained productivity in Auto-component Industry in India (Denso).

Design/ Methodology: This paper is based on a review of the academic research papers and survey. The primary data has been collected through questionnaires. The secondary data is being used for identifying the commitment related problems of Indian auto component industry. The three commitments have been taken as independent variables and sustained productivity as the dependent variable.

Findings: The results of the study indicate that the Employees Commitment (Affective, Normative, continuous) are significantly related to sustained productivity in Auto component industry. The research findings reveal that there exists positive relationship between the three commitments- affective, continuance and normative commitment and sustained productivity of the organization. It has also been proved from the results that there exists high degree of correlation between the three independent variables and sustained productivity the dependent variable. These outcomes in turn are associated with guiding the top management for working towards increasing commitment level.

Practical Implications: We have a big pool of employees employed by the auto-component industry. Due to higher quality consciousness and increased competitiveness the concept of sustained productivity becomes important. From the findings it has been proved that sustained productivity is strongly related to employees commitment. So, the sample organization has to focus towards increasing employee commitment. This shall have a great impact and take the organization towards competitive edge.
**Originality/value:** This paper would be of value to researchers seeking information on how commitment and sustained productivity are linked. This is original contribution and not published anywhere else..

**Keywords:** affective commitment, normative commitment, continuance commitment, sustained productivity.

INTRODUCTION

In today’s competitive world every organization is facing new challenges regarding sustained productivity and creating committed workforce. Now a day’s no organization can perform at peak levels unless each employee is committed to the organizations objectives. Hence, it is important to understand the concept of commitment and its feasible outcome.

A large numbers of studies have been conducted to investigate the concept of organizational commitment (OC). Still, commitment is the most challenging and researchable concept in the fields of management, organizational behavior. There have been several measures and definitions about OC. In the past decade, Meyer and Allen’s (1991) developed a three-component model of OC which has been the dominant framework for OC. This three-component model is based on a more comprehensive understanding of OC. The three-component model consists of:
(a) Affective commitment (AC) is the emotional attachment to one’s organization.
(b) Continuance commitment (CC) is the attachment based on the accumulation of valued side bets (pension, skill transferability, relocation, and self-investment) that co-vary with organizational membership.
(c) Normative commitment (NC) is the attachment that is based on motivation to conform to social norms regarding attachment.

The aim of this paper is to identify the impact of OC (which comprises of AC, CC and NC) on sustained productivity in auto-component industry in Greater Noida. It is vital as suggestions may be given to the auto-component industry in order to bring an awareness of the commitment level of employees.

The objectives of the study are:
- To identify effect of Affective commitment (AC) on sustained productivity
- Continuance commitment (CC) is significantly related to sustained productivity
- To know the impact of Normative commitment (NC) on sustained productivity
- To study the impact of Employees’ Commitment (EC) on sustained productivity.
Review of Literature

The concept of organizational commitment derives from an article “The organization Man” written by Whyte in 1956. Commitment comes into being when a person, by making a side bet, links extraneous interests with a consistent line of activity. Grusky (1966) relates commitment with “The nature of the relationship of the member to the system as a whole”. Kanter (1968) defines commitment as “The willingness of social actors to give their energy and loyalty to social systems, the attachment of personality systems to social relations, which are seen as self expressive”.

Brown (1969) categorize commitment as (1) includes something of the notion of membership; (2) it reflects the current position of the individual; (3) it has a special predictive potential, providing predictions concerning certain aspects of performance, motivation to work, spontaneous contribution, and other related outcomes; and (4) it suggests the differential relevance of motivational factors.

According to Hall et al. (1970) “The process by which the goals of the organization and those of the individual become increasingly integrated or congruent” is commitment. Salancik (1977) said commitment is that “a state of being in which an individual become bound by his action and through these action to beliefs that sustain the activities of his own involvement”. Mowday et.al in (1979) defined commitment in such a way “… The relative strength of an individual’s identification with and involvement in a particular organization”. Scholl (1981) described “…a stabilizing force that acts to maintain behavioural direction when expectancy/equity conditions are not met and do not function.” Allen & Mayer (1990) claim that commitment is “… a psychological state that bind the individual to the organization”. According to the Meyer & Allen (1997) commitment “ is a psychological state that characterizes the employees relationship with the organization and has implication for the decision to continue membership in the organization.”

From the above definition it is clear that commitment is different from motivation or general attitudes it can lead individuals to behave in a way, from the prospective of neutral observer, might seem in contrast to their own self-interest. The researchers are considering the definition given by Allen and Meyer for the study.
# Conceptual Framework on Commitment

<table>
<thead>
<tr>
<th>Authors</th>
<th>Years</th>
<th>Concepts</th>
</tr>
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</table>
| Jaros                    | 1993  | Affective: the degree to which an individual is psychologically attach to an employing organization through feeling such as loyalty, affection, worth, belongingness, pleasure and so on.  
Continuance: the degree to which an individual experience a sense of being locked in place because of the high cost of leaving.  
Moral: the degree of which an individual is psychologically attached to an employing organization through internalization of its goals, values, and mission. |
| Mayer & Schoorman        | 1992  | Value: a belief in and acceptance of organizational goal and value and willingness to exert considerable effort on behalf of the organization.  
Continuance: the desire to remain a member of the organization                                                                                                                                  |
| Allen & Mayer            | 1990  | Affective commitment: a members through to stay within and work for an organization.  
Continuance commitment: cost perception for leaving an organization leads to the commitment of a members stay in an organization.  
Normative commitment: maintaining loyalty to an organization is the result of socialization, experience, responsibility of repaying the organization can be constructed in a members mind through organization profits. |
| Angle and Perry          | 1981  | Value commitment: commitment to support the goal of the organization.  
Commitment to stay: commitment to retain their organization membership                                                                                                                               |
<table>
<thead>
<tr>
<th>Author</th>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steven</td>
<td>1978</td>
<td>Normative: an individual is willing to stay within an organization and contribute to an organization to correspond with a group norm. Exchange: an individual will enhance commitment after contrast the difference between dedication and compensation from the viewpoint of return of investment.</td>
</tr>
<tr>
<td>Porter</td>
<td>1974</td>
<td>Value commitment: faith of accepting an organization’s targets &amp; values. Effort commitment: desire to thoroughly devote to an organization. Retention commitment: strong aspiration to stay within an organization.</td>
</tr>
<tr>
<td>Kanter</td>
<td>1968</td>
<td>Continuance commitment: “withdraw barrier” derive from the previous investment and sacrifice. Cohesion commitment: cohesion from exchanges. Control commitment: a control force from organizational norms that affect members in an organization.</td>
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**Dimensions of Organizational Commitment**

Meyer and Allen (1984,1990, 1991) described three dimensional model of commitment: Affective, Continuance and Normative (as discussed earlier). He said **Affective Commitment** is based on how much individual ‘want’ to remain in the organization. **Continuance Commitment** refers to an awareness of the costs associated with leaving the organization. Continuance commitment based on individual having to remain with the organization lost their previous investment before gone. **Normative Commitment** reflects a feeling of obligation to continue employment. Employees with a high level of normative commitment feel that they ought to remain with the organization.

**Affective commitment:** Several studies, describe the term commitment as an affective orientation of the employees toward the organization. Employees with affective commitment continue service with organization because they want to do so. Kanter (1968) describe cohesion commitment as the attachment of an individual’s found of affectivity and emotion to the group. Affective commitment to the goal and values and to the organization for its own sake, a part from its purely instrumental worth argues by Buchanan (1974). Porter and Mowday et al. (1979) describe affective approach as “the relative strength of an individual’s identification with and involvement in a particular organization. Therefore, an individual who is affectively committed or emotionally attached to the organization, (i) believe in the goal and values of the organization , (ii) works hard for the organization and (iii) intend to stay with the organization (Mowday et al.,1982). Meyer & Allen
correlates affective commitment with work experiences where employees experience psychologically comfortable feelings (such as approachable managers), increasing their sense of competence (such as feedback). The development of affective commitment involves recognizing the organization’s worth and internalising its principles and standards (Beck & Wilson 2000).

**Continuance Commitment:** When employees enter into the organization, they are bound to maintain a link with the organization or committed to remain with the organization because lack of alternative opportunity or awareness of the costs associated with leaving the organization. The cost associated with leaving includes attractive benefits, the threat of wasting the time, effort spent acquiring, disrupt personal relationship. This was more appropriately defined by Allen & Meyer (1990) he proposed that continuance commitment develops on the basis of two factors: (1) number of investment (side – bets) individuals make in their current organization and (2) perceived lack of alternatives. These investment can be anything that the individual considers valuable such as pension plans, organization benefits, status etc that would be lost by leaving the organization, which makes them stay with their current employers (Meyer & Allen, 1984) Similarly, lack of employment alternatives also increases the perceived costs associated with leaving the organization and therefore increase the continuance commitment of employees to the organization (Allen & Meyer, 1990). Kanter (1968) defined continuance commitment as “cognitive – continuance commitment as that which occurs when there is a profit associated with continued participation and a cost associated with leaving”. Somers (1993) suggest that continuance commitment can be subdivided into high sacrifice commitment (“personal sacrifice” associated with leaving) and low alternative commitment (“limited opportunities” for other employment).

The approach of continuance commitment develops when an individual recognizes that he or she lose investments (the money they earn as a result of the time spent in the organization ), and/or perceives that there are no alternatives or other course of action. When an individual’s have awareness or consideration about expenses and threats linked to leaving the organization, this form of commitment is considered to be calculative (Meyer & Allen 1997). Meyer and Allen (1991) also specified that individuals who’s most important connection with the organization is based on continuance commitment stay with the organization simply because they have no choice. Whereas affective commitment is, where individuals remain with an organization because they want to and because they are familiar with it and they have emotional attachment with it.

**2.4.3 Normative Commitment:** Normative commitment develops on the basis of earlier experiences influenced by, for example family-based experiences (parents that stress work loyalty) or cultural experiences (sanctions against “job-hopping”) (Allen & Meyer, 1996). Normative commitment can increase through beliefs that the employees have that employers provide more than they can give.

The normative aspect develops as individuals’ perception of their moral obligation to remain with a specific organization, irrespective of how much status improvement or fulfilment the organization gives the individual over the years (March & Mannari 1977). So normative commitment/obligation seen as a result of the receipt of benefits (which encourages a feeling that one should reciprocate), and/or acceptance of the terms of a psychological contract.
Commitment is a force that binds an individual to a course of action of relevance to one or more targets (Meyer/Herscovitch 2001:302). ‘Binding’ refers to the maintenance of the relationship with the commitment object and is seen as the most important outcome of commitment (e.g. Meyer et al. 2002). Thus, committed individuals stick to the object(s) of their commitment. As is the case in private life, many individuals have conflicting commitments in work life, such as those towards work, profession, career, colleagues, department, and the organization as a whole. There are different forces that can compel an individual to a particular course of action. We may do so because we like it (affective bonding), because we feel obliged (normative conformity) and/or because people have good reasons for their commitment (rational choice) (Allen/Meyer 1990). So, based on what we know about employee commitment, what does ‘employer commitment’ mean?

Derived from the above-cited definition, ‘employer commitment’ could be defined as follows:

“We assume that employers’ commitment is reflected in the attitudes and behaviours of employer delegates. This also means that employers are only as good as their representatives are: due to their pursuit of a particular goal or lack of information, employee delegates do not necessarily act in correspondence with company policies. Thus, the employer can be better or worse than the delegates suggest”.

Mowday, Porter, and Dubin (1974) suggest that high committed employees may perform better than less committed once. Schein (1970) and Steers (1975) suggested that commitment may represent one useful indicator of the effectiveness of an organization.

Employee Commitment

Employee commitment is important because high levels of commitment lead to several favorable organizational outcomes. It reflects the extent to which employee’s identify with and organization and is committed to its goals. Biljana Dordevic (2004) stated that the commitment of employees is an important issue because it may be used to predict employee’s performance, absenteeism and other behaviors. Rajendran Muthurveloo and Raduan Che Rose (2005) opined that the organizational commitment is the subset of employee commitment, which comprised to work commitment, career commitment and organizational commitment and also added greater the organizational commitment can aid higher productivity.

An impressive amount of research efforts have been conducted to understanding the concepts and to identify implication of organizational commitment over the performance of the employees on the workplace. Aamir Ali Chughtai & Sohail Zafar (2006) examined the influence of organizational commitment on two—turnover intentions and on job performance. Rajendran Muthurveloo and Raduan Che Rose (2005) study explores that organizational commitment, leads to positive organizational outcomes. Komal Khalid Bhatti, Samina Nawab (2011) said that job satisfaction has the highest impact on high employees’ commitment and productivity. Meyer, Paunonen, Gellatly, Goffin, and Jackson (1989) examined facts of a positive correlation between organizational commitment and job performance. Low commitment has also been associated with low levels of morale (DeCottis & Summers, 1987) non-committed employees may depict the organization in negative terms to outsiders thereby inhibiting the organization’s ability to recruit high-quality employees (Mowday, Porter, & Steers, 1982) and decreased measures of altruism and compliance (Schappe, 1998).
Some study examines the relationship of commitment with various factors. Mathieu & Zajac, (1990), shown that commitment has been positively related to personal characteristics such as age, length of service in a particular organization (Luthans, McCaul, & Dodd, 1985), and marital status (John & Taylor, 1999) and have inverse relation to the employee’s level of education (Glisson & Durick, 1988). In addition, commitment has been found to be related to such job characteristics as task autonomy (Dunham, Grube, & Castaneda, 1994), feedback (Hutchison & Garstka, 1996) and job challenge (Meyer, Irving, & Allen, 1998) and certain work experiences such as job security (Yousef, 1998), promotion opportunities (Gaertner & Nollen, 1989), training and mentoring opportunities (Scandura, 1997), and supportive and considerate leadership (DeCottis & Summers, 1987).

**Employees Commitment & Sustained Productivity**

In the past research it has been discussed that organization commitment will lead to behavioural outcomes: lower turnover and higher performance. Highly committed employee should have a weak intention to quit. Studies by Angle and Perry (1981) and Jenkins (1995) revealed a negative relationship between turnover intentions and organizational commitment. According to Konovsky and Cropanzano (1991) and Meyer and other (1998) have uncovered a positive relationship between commitment and job performance. Employees who are committed to their respective organization are more likely not only to remain with the organization but are also likely to exert more efforts on behalf of the organization and work towards its success and therefore are also likely to exhibit better performance that the uncommitted employees.

Employee commitment can benefit organization in a number of ways such as it can improve performance; reduced absenteeism, and turnover thereby resulting in sustained productivity. Commitment to organization is positively related to such desirable outcomes as motivation (Mowday, Steers and Porter 1979) and attendance (Mathieu & Zajac, 1990: Steers & Rhodes,1978) and is negatively related to outcome as absenteeism and turnover(Clegg 1983: cotton & Tuttle 1986). Horton too stated that organization commitment could result in less turnover absenteeism, thus increasing organization productivity (Schuler & Jackson, 1996). Employees with high level of organizational commitment provide a secure and stable workforce (Steers 1977) and thus providing competitive advantage to the organization.

The committed employee has been found to be more creative; they are less likely to leave an organization than those who are uncommitted (Porter et.al. 1974). According to Arturo L. Tolentino (2004) Sustained productivity improvement depends on the enterprise’s human capital (the skills, knowledge, competencies and attitudes that reside in the individual employee of the enterprise) and its social capital (trust and confidence, communication, cooperative working dynamics and interaction, partnership, shared values, teamwork, etc. among these individuals.

A committed employee is perceived to be one who stays with the organization even in turbulent times, attends work regularly, protects company’s assets and shares company’s goal (Meyer and Allen, 1997).Therefore it is evident that for sustained productivity, employee commitment is an important factor. Auto-component industry is a booming industry in which not many commitment based studies have been conducted so we have taken it for our research. This industry has also faced lot of workforce challenges in the form of strikes. So, our study becomes much more important.
Hypothesis is:
H0: Employees Commitment (NC, CC, and AC) does not influence Sustained Productivity
H1: Employees Commitment (NC, CC, and AC) influences Sustained Productivity

Research design

This study adopted research design to examine the effects of employee commitment on sustained productivity in auto-component industry in India (in Denso Greater Noida). The data was collected from both primary and secondary sources. The quantitative data was collected through questionnaires which were tested on the sample population of 50 line managers (auto-component employees) to recognize the effect of commitment on sustained productivity. The questionnaire contained 12-items (AC, CC, NC and SP) (these items have been discussed under analysis in detail) which help in identified the impact of commitment on productivity. The purpose of this study was descriptive. Time horizon of the study was cross-sectional and random sampling technique was used.

The secondary data was collected from books, magazines, research papers, internet, annual reports etc. A model has been proposed after doing the literature review and it was tested by applying regression to the study.

Proposed Model

![Proposed Model Diagram]

Analysis and Interpretation

Measurement

The organizational commitment questionnaire (OCQ) consists of 12 items in which 9 items were taken from OCQ by Allen Mayer. These questions were measured on a 5 point Likert’s scale ranging from Strong agree (5), Agree(4), Neither Agree Nor Disagree(3), Disagree(2) and Strongly Disagree(1).

In this research paper AC, CC, NC, have been taken as independent variable and SP is the dependent variable. As there are more than one independent variable so we will use multiple regression analysis to test our proposed model.

For Affective Commitment sample items were:

I enjoy discussing my organization with people outside.

I don’t feel ‘emotionally attached’ to this organization.
I would be very happy to spend the rest of my career with this organization.

*For Continuance Commitment sample items were:*

“If I got another offer for a better job elsewhere I would not feel”, “it was right to leave my organization

Jumping from organization to organization does not seem at all unethical to me

I was taught to believe in the value of remaining loyal to one organization

*For Normative Commitment sample items were:*

I would feel guilty if I left my organization now.

I would not leave my organization right now because I have a sense of obligation to the organization.

This organization deserve my loyalty.

*For Sustained productivity, sample items were:*

Employee are more productive to the organization, when they feel more obligations towards remain with the organization

If the employees have the feeling to stay in the organization, they are more productive.

The more productive employees are those who are emotionally attached to the organization”.

**Interpretation**

The data collected through questionnaires was tested by SPSS. Initially we began with testing the assumptions of regression

1. The data should be a normally distributed
2. Homoscedasticity

The data was plotted and we found that in maximum cases the condition of normal distribution is fulfilled. The variance of the error is constant across observations. Therefore, we are applying multiple regression to test the hypothesis and proposed model
Fig 1- AFFECTIVE COMMITMENT/SUSTAINED PRODUCTIVITY

Histogram

Dependent Variable: Avg(SP)

Fig 2 NORMATIVE COMMITMENT AND SUSTAINED PRODUCTIVITY

Histogram

Dependent Variable: Avg(SP)
There is a strong relationship between the dependent variable and the independent variables. The value of Pearson Coefficient (r) for AC and SP is 0.859, for CC and SP is 0.886 and NC and SP is 0.764. These values are quite near to +1 and show strong correlation. This means changes in one variable are strongly correlated with changes in the second variable. As all the correlations are positive, it shows that when one variable increases/decreases then the other would also increase or decrease. The significance level when seen at 95% level of significance the p value is less than 0.05 so the null hypothesis is rejected.
The value of R Square, the coefficient of determination comes to be 1.000, which indicates the explanatory power of the model. This shows the 100 percent variation in the dependent variable (sustained productivity) is explained together by the three independent variables (AC, CC, NC). The significance of the R Square can be tested by the F value and it has been found that there is a strong significant relationship (.000) between dependent variable with independent variables at 95% level of significance.
The AC, CC, NC are positively related to SP as the coefficient shows positive sign. The result indicates that all three commitments have an equal contribution towards sustained productivity. From the table above, we can say that the P value is 0.00 which is less than the 95% level of significance (Alpha).

The relative importance of the three commitments (AC, NC, CC) is obtained by the absolute value of the BETA standardized regression coefficient given as 0.427 for CC, 0.427 for AC and 0.334 for NC. The beta values show the impact of AC, CC and NC on SP.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>95.0% Confidence Interval for B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.Constant)</td>
<td>.937</td>
<td>.188</td>
</tr>
<tr>
<td></td>
<td>Avg(CC)</td>
<td>.692</td>
<td>.052</td>
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<td>2</td>
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<td></td>
<td>(.Constant)</td>
<td>.512</td>
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<td></td>
<td>Avg(CC)</td>
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<td>.041</td>
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<tr>
<td></td>
<td>Avg(Ac)</td>
<td>.382</td>
<td>.041</td>
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<td>3</td>
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<td></td>
<td>(.Constant)</td>
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<td>.000</td>
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<tr>
<td></td>
<td>Avg(CC)</td>
<td>.333</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Avg(Ac)</td>
<td>.333</td>
<td>.000</td>
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<tr>
<td></td>
<td>Avg(NC)</td>
<td>.333</td>
<td>.000</td>
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</table>

a. Dependent Variable: Avg(SP)
Conclusion:
This study identified the impact of organizational commitment on sustained productivity in auto-component industry in Greater Noida (India). Organizational Commitment Questionnaire (OCQ) by Mayer and Allen was used for this study. In auto-component industry sustained productivity of the employees depends more upon the affective commitment and continuous commitment of the employees.

It shows a positive signal of the employees revealing the commitment and attachment of employees to the organization. It is also found that the auto-component industry employees are enthusiastic in reflecting their continuance commitment in their work environment to render maximum productivity to their organization. The commitment of the auto-component employees is also emphasized through their affective commitment to their organizational goals. The auto-component industry has to ensure that the commitment level of employees based on the above discussed, should be analysed to the extent of its attachment in the organization and necessary continuous action to increase and maintain the productivity level of the employees should be ensured. It has been assumed by research that individuals who were highly committed towards their jobs are likely to be more productive, have higher satisfaction level and have less likely to leave than employees with low commitment. Increase in employee commitment will also help auto component companies to retain employees and move ahead to experience global competition.
References


