

# THE INFLUENCE OF ORGANIZATIONAL CULTURAL FACTORS ON EMPLOYEES' COMMITMENT LEVELS: A STUDY OF THE BANKING SECTOR

---

*Thesis submitted as a Partial Fulfillment of the Requirements for the  
Degree of M Phil at Lahore School of Economics*

**Submitted by: Feryal Khan**

**Thesis Supervisor: Dr. Sohail Zafar**

## **Dedication**

This dissertation is dedicated with gratitude and immense love to my twins, Ibraheem and Mustafa who have taught me to smile and cherish life's precious little gifts.

## **Acknowledgments**

The researcher expresses sincere appreciation for all the people who have provided their support and guidance for the completion of this thesis. It has been a long process as I spent around two years on and off this thesis and I would not have been able to finish this task without the continuous encouragement from my family, friends and teachers.

I wish to express my special gratitude to Dr.Sohail Zafar for supervising my thesis. He provided me with his knowledgeable guidance and encouragement throughout. He was readily available for any kind of assistance that was required and patiently dealt with all the questions and problems that arose during the course of the study. It has been an honor to work with him and I hope our collaborations continue in the future as well.

I want to thank my husband, Usman, for always believing in me, even when I had doubts in myself and providing me with support at every step of the way. I also thank him for bearing with the late night hours and weekends that I spent working on this thesis.

I also thank my parents who have made the most significant contribution towards who I am and what I have achieved in life till now. I would also thank my in-laws for being extremely supportive of my efforts .

Thanks to all my colleagues for sharing their experiences with me and providing moral support throughout.

## CONTENTS

Abstract.....	x
CHAPTER 1 Introduction .....	1
1.1 Background of the Study:.....	1
1.2 Purpose of the study:.....	5
1.3 Statement of the Problem .....	6
1.4 Description of the theoretical model.....	7
1.5 Research Questions .....	10
1.6 Research hypothesis of the study.....	11
1.7 Significance of the Study.....	14
1.8 Definitions of Variables.....	16
1.9 Structure of the Thesis.....	20
CHAPTER 2 Literature Review .....	22
2.1 The Evolution of the concept of organizational commitment.....	22
2.2 Outcomes and antecedents of organizational commitment.....	27
2.3 Meyer and Allen's (1991) three-component model of commitment ..	29
2.4 Forms of organizational commitment .....	31
2.4.1 Affective commitment .....	31
2.4.2 Continuance commitment .....	31
2.4.3 Normative commitment .....	33
2.5 Organizational culture : The concept and its link with organizational commitment. ....	35
2.6 Organizational cultural factors .....	47
2.6.1 Rewards and Organizational Commitment.....	47
2.6.2 Training and Organizational Commitment .....	49
2.6.3 Team Work and Organizational Commitment.....	52
2.6.4 Communication and Organizational Commitment.....	54

2.7	Organizational Commitment and Demographic Factors .....	58
CHAPTER 3 Research Methodology .....		63
3.1	Research methodology .....	63
3.1.1	Unit of Analysis .....	63
3.1.2	Justification for the Quantitative Approach: .....	63
3.1.3	Instrumentation: .....	64
3.2	Variable measurement: .....	65
3.2.1	The level of organizational commitment:.....	65
3.2.2	Affective commitment: .....	65
3.2.3	Continuance commitment: .....	66
3.2.4	Normative commitment: .....	66
3.2.5	Organizational culture: .....	66
3.2.6	Training: .....	67
3.2.7	Teamwork: .....	67
3.2.8	Rewards: .....	67
3.2.9	Communication.....	68
3.2.10	Socio-demographic variables:.....	68
3.3	Dependent and Independent Variables.....	68
3.4	Population and Sample:.....	70
3.5	Data Collection Procedure .....	71
3.6	Procedures for Analysis of Data.....	72
CHAPTER 4 Research Findings .....		74
4.1	The Sample.....	74
4.2	Respondents' Socio-demographic Characteristics.....	75
4.2.1	Age .....	75
4.2.2	Gender .....	76
4.2.3	Marital Status:.....	76
4.2.4	Years of Education: .....	77

4.2.5	Work experience with the current bank.....	77
4.2.6	Level of Management .....	78
4.3	Internal Consistency and Descriptive Statistics for Organizational Commitment and Cultural Scales .....	79
4.4	Organizational Commitment and demographics.....	81
4.5	Relationship between Organizational Commitment and Organizational Culture .....	88
4.6	Relationship between Organizational Commitment and its predictor variables.....	91
4.7	Strongest Predictor set of variables for Organizational commitment and its forms. ....	102
4.7.1	Factors affecting Organizational commitment: Organizational cultural and Demographic factors .....	103
4.7.2	Factors affecting Affective commitment: Organizational cultural and Demographic factors.....	104
4.7.3	Factors affecting Continuance commitment: Organizational cultural and Demographic factors .....	105
4.7.4	Factors affecting Normative commitment: Organizational cultural and Demographic factors.....	106
4.8	Further analysis.....	107
CHAPTER 5	Conclusion, Implications, Limitations and Suggestions .....	116
5.1	Conclusions .....	116
5.2	Practical Implications.....	122
5.3	Limitations: .....	123
5.4	Suggestions for Future Research .....	124
References:	.....	126
Appendix	.....	135
Questionnaire	.....	135
Part I:	.....	135
Part II:	.....	137

Part III.....139

## List of Tables and Figures

Figure 1:	Theoretical Framework of the study.....	10
Table 1.	Constitutive and Operative definitions of Variables.....	16
Figure 2:	The three component model of organizational commitment.....	30
Table 2.	Findings of Research on Commitment in Pakistan .....	62
Table 3.	List of Dependant, Independent Variables and the scales used.....	69
Table 4.	Descriptive Statistics for Age .....	75
Table 5.	Age groups of respondents.....	76
Table 6.	Gender of the respondents.....	76
Table 7.	Marital status of respondents.....	76
Table 8.	Years of Education of Respondents .....	77
Table 9.	Descriptive Statistics for Current Work Exp.....	77
Table 10.	Current work experience groups of Respondents .....	78
Table 11.	Level of Management .....	78
Table 12.	Internal consistency assessment of scales used in the study. ....	80
Table 13.	Descriptive Statistics of Banking Employees Perceptions of Organizational Commitment forms and Organizational Culture Dimensions:.....	81
Table 14.	Correlation analysis between Organizational commitment, its forms and Demographic variables .....	82
Table 15.	A Comparison of the Means for Males and Females' Forms of Organizational Commitment.....	83
Table 16.	A Comparison of the Means for Married and Unmarried Respondents' Forms of Organizational Commitment .....	84
Table 17.	Results of ANOVA test comparing the Means of Types of Commitment based on the Level of management .....	85
Table 18.	Results of ANOVA test comparing the Means of Types of Commitment based on Age groups .....	86
Table 19.	Results of ANOVA test comparing the means of types of Commitment based on Current work experience: .....	87
Table 20.	Results of ANOVA test comparing the Means of Types of Commitment based on years of Education:.....	88
Table 21.	Correlation Coefficient Matrix for Organizational Commitment and Organizational Culture with its dimensions.....	89
Table 22.	Linear Regression Analysis for Organizational Culture as a predictor of Organizational Commitment .....	92



Table 23.	Linear Regression Analysis for Organizational Culture as a predictor of Affective Commitment.....	92
Table 24.	Linear Regression Analysis for Organizational Culture as a predictor of Continuance Commitment.....	93
Table 25.	Linear Regression Analysis for Organizational Culture as a predictor of Normative Commitment.....	93
Table 26.	Multiple Regression Analysis of Organizational Commitment with Demographic factors.....	94
Table 27.	Multiple Regression Analysis of Organizational Commitment with Organizational Cultural factors .....	96
Table 28.	Multiple Regression Analysis of Affective Commitment with Demographic factors.....	97
Table 29.	Predicting Affective Commitment with Org. Cultural factors.....	98
Table 30.	Multiple Regression Analysis of Continuance Commitment with Demographic factors.....	99
Table 31.	Multiple Regression Analysis of Continuance Commitment with Organizational Cultural factors .....	100
Table 32.	Multiple Regression Analysis of Normative Commitment with Demographic factors.....	101
Table 33.	Multiple Regression Analysis of Normative Commitment with Org. Cultural factors.....	102
Table 34.	Hierarchical regression of organizational cultural variables/ demographic factors with overall Organizational Commitment ...	104
Table 35.	Hierarchical regression of demographic factors/cultural factors with the level Affective Commitment .....	105
Table 36.	Hierarchical regression of demographic factors/cultural factors with the level Continuance Commit.....	106
Table 37.	Hierarchical regression of demographic factors/cultural factors with the level of Normative Commitment .....	107
Table 38.	Stepwise regression analysis for overall Organizational commitment (N= 200).....	108
Table 39.	Stepwise regression analysis for Affective commitment (N= 200)	109
Table 40.	Stepwise Regression Analysis for Cont. commitment (N=200) .....	110
Table 41.	Stepwise regression analysis for Norm. Commit. (N=200) .....	111
Table 42.	Summary of Hypothesis Test Results.....	112

## **ABSTRACT**

Although a lot of international research studies have highlighted organizational culture to be an important determinant of employees' commitment to their organizations, little attempt has been made to explore the relationship of these two concepts by researchers in Pakistan.

The purpose of this study was to provide an insight into how Organizational Commitment and its three subscales namely Affective, Continuance and Normative Commitment can be influenced and enhanced by organizational cultural factors. Organizational culture was studied as a multi - dimensional construct consisting of teamwork, rewards, training and communication. This study also examines the association of demographic variables with Organizational Commitment and its subscales. Data were collected from a random sample of 200 commercial bank employees in Lahore through a survey questionnaire. Correlational, multiple and stepwise regression analysis were conducted to study the association between the dependant and independent variables. ANOVA tests were also run to examine if levels of Organizational Commitment and its subscales varied across demographic groups. Results revealed that on the whole, organizational cultural factors were important determinants of employees' commitment levels, while demographic factors had a relatively less significant association with the organizational commitment and its forms (dependant variables). Continuance form of commitment also showed weaker association with cultural factors as compared to Affective and Normative Commitments. Implications and recommendations have been presented as to enhance employees' commitment levels by utilizing the organizational cultural factors.

## KEYWORDS

Organizational Commitment, Culture, Banking sector, demographics.

# **CHAPTER 1 INTRODUCTION**

## **1.1 BACKGROUND OF THE STUDY:**

The bond shared by an organization and its employees is a strong one. While an organization provides financial and psychological support for its staff, and gives its employees opportunities to advance professionally, the employees play a pivotal role in an organization's success. Individuals join organizations with certain needs, desires, skills, and so forth and expect to find a work environment where they can utilize their abilities and satisfy many of their basic needs (Dessler, 1999). When the organizations are successful in providing such a vehicle, the likelihood of increasing commitment can be enhanced.

Scholars have increasingly suggested organizational commitment to be a major determinant and the driving force behind the organizational level outcomes, (Ahmad and Bakar, 2003). Furthermore, they affirm that a committed worker will be more eager about his job and more motivated to dedicate a lot of time and effort to accomplish the tasks required (Meyer & Allen, 1997). Studies have linked employee commitment to positive outcomes such as lower level of absenteeism, higher level of dedication and effort by employees, higher retention rate, lower operating costs and an increase in job satisfaction, productivity and efficiency of workers, (Morrow, 1993; Porter et al., 1976; Meyer & Allen, 1997). An organization invests in its employees in terms of their selection, training and development and a higher tenure resultant of employees' commitment can guarantee returns on that investment for the organization.

In the face of major challenges faced by organizations today, which often involve restructuring and downsizing, understanding the factors that predict employees' commitment to the organization is imperative. Numerous research studies have highlighted the importance of human capital for a company and have dubbed it as the core element for its sustainable competitive advantage. Yet, the human capital which has been dubbed as the foundation of value creation and plays an instrumental role in enabling organizations to achieve its goals is still being neglected (Nakra, 2006).

Therefore, it is pertinent for organizations to pay attention to the well being and satisfaction of their employees and provide an enabling environment in order to enhance employees' organizational commitment.

Organizational culture has been recognized as one of the key determinants of high level of organizational commitment amongst employees and influences the feelings, thoughts, interactive behavior and employees' performance (Saeed and Hassan,2000; O'Reilly and Chatman,1986).

The organizational cultures are being redefined and focus needs to be on how cultures are impacting the employees overall behavior and perceptions, in terms of commitment level. Given that how an organization treats its employees may have a great impact on their attitudes, exploration of such linkages is of considerable significance. In previous studies, dimensions of corporate culture found related to organizational performance have been identified. Some of these dimensions were teamwork, communication, training and development, effective decision-making, stability, attention to detail, respect for people,

risk taking for creativity and innovation, rewards and recognition, proactive planning and fairness and consistency in management practices etc.,(Ricardo and Jolly,1997; Lau and Idris, 2001). Employee outcomes, resulting from organizational policies, may consist of positive reactions such as satisfaction and commitment or negative behavioral reactions such as absenteeism or turnover.

Given the importance of Organizational Commitment, this study aims to provide an insight into what factors impact the organizational commitment of employees within the banking sector of Pakistan. Banking in Pakistan has a long and prominent history of more than 65 years. The industry has changed rapidly and drastically, after the nationalization of banks in 1974 and subsequent denationalization in 1990's, Pakistani banking system includes nationalized banks, private banks and specialized banking institutions. State Bank of Pakistan is the centralized body in the banking sector that monitors discrepancies and shortcomings in the system. After the privatization era in the 90's the sector's landscape has changed dramatically. By 2010, there were five public sector commercial banks, 25 domestic private banks, six foreign banks and four specialized banks. There are 9,348 bank branches spread across the country, serving approximately 28 million banking customers.

Due to the political instability and economic downturn Pakistani banks now are facing new and competitive operating environments. Banks are attempting both to increase operating efficiencies and develop new income streams by initiating structural changes and strategies. Thus in today's business climate the role of the employees in gaining operational performance and implementing banks' strategy cannot be overemphasized.

The role of the banks' employees has changed from "teller to seller" (Burton, 1991). Banks face challenges in delivering high quality services and service failures can result in negative outcomes such as decline in customer satisfaction, negative word of mouth or loss of customer base (Yavas et al, 2003). Well trained and committed employees have the power to not only tailor the services offered according to customers' needs but also the manner of delivery. Thus companies that are aiming to deliver superior services should have right practices in place to encourage and motivate employee behavior. This study examined the largely under-researched topic of employee commitment and its relation with aspects of organizational cultural factors .

The role of an employee in a service organization is critical for the firm's overall performance efficiency and success and "Organizational culture is widely considered to be one of the most significant factors in reforming and modernizing public administration and service delivery." (Jung et al, 2009). However, it has not been highlighted as an antecedent to organizational commitment in research work done in Pakistan. Thus this study is going to extend previous literature on organizational commitment in Pakistan by focusing on four selected organizational cultural aspects and their relationship with employees' commitment in the banking sector. The dimensions of organizational culture chosen for this study are Rewards, Teamwork, Training and Communication. The relationship of these four dimensions was studied and found significant with the commitment levels in various international research studies (e.g Boon and Arumugam, 2006; Karia and Asaari, 2006; Zain et al,2009)

## **1.2 PURPOSE OF THE STUDY:**

The purpose of this research is to study the relationship between organizational culture and employee commitment in the banking sector employees. Today, the managers face challenging market environments and the organizational culture are being redefined to support new ways of achieving organizational goals and tasks. Organizational commitment is studied as a multidimensional concept that represents the relationship between an employee and his organization. We have adopted Allen and Meyer's definition of commitment which categorizes commitment into three aspects: affective, continuance and normative. Different factors influence the development of different components of commitment as argued by Mathebula (2004). For instance continuance commitment may arise from compensation policies adopted by organizations as the employee may want to continue his stay with the organization as he might be afraid to lose those benefits. On the other hand, training might induce normative commitment. The multidimensional nature of organizational commitment will be explored by considering it as the dependant variable of this study. Organizational culture is a powerful and significant contributor to commitment which is cultivated in the organization and is passed on to the employees in the form of cultural practices and norms. The influence of four cultural dimensions on commitment will be analyzed. The purpose is to explore which cultural factor influences which component of commitment.

Organizational commitment is a multidimensional construct, as proposed by Allen & Meyer (1990), comprising (1) Affective commitment, (2) Continuance commitment and (3) Normative commitment.



Thus this study will reveal the present level of commitment of employees in the banking sector, and how it is influenced by aspects of organizational culture. Is the prevalent culture of their organization strengthening the bond between the worker and the organization or is it driving them away? The results of this study can be handy for managers to implement strategic interventions which ensure employees long and productive stay with the organization, while minimizing costs and effort.

### **1.3 STATEMENT OF THE PROBLEM**

Research on organizational commitment in Pakistan has largely focused on how various socio-demographic variables affect employees' commitment to the organization. However, it does not offer insight on how the three forms of organizational commitment for banking employees are affected by organizational cultural dimension or the socio-demographic factors (Refer to table 2.).

Firstly, the relationship between employees' perceptions of their organizational practices of rewards and different forms of organizational commitment is not known. Secondly, the relationship between employees' perceptions of organizational communication and different forms of organizational commitment has not been empirically investigated. Thirdly, we also do not know how teamwork is linked to organizational commitment. Lastly we also do not know how employees' perception of training aspects of the organization impact the three forms of commitment.

Moreover we do not know how various demographic variables (age, years of education, gender, tenure, marital status) impact the three forms of commitment.

Thus the problem to be investigated is to, *“examine the relationship between organizational cultural factors and organizational commitment in the banking sector in Pakistan. Further, this study also aims to explore the relationship between level and forms of organizational commitment of the banking sectors employees’ in Pakistan and various socio demographic factors”*.

#### **1.4 DESCRIPTION OF THE THEORETICAL MODEL**

Organizational culture is all-encompassing and very powerful. It is one of the most significant determinants of Organizational commitment. For a business, it can prove to be either a force for change or a distinct obstacle to its success and achievement of its goals.

Simultaneously, for employees, it can be either the glue that bonds them and encourages commitment to an organization or what drives them away. The first part of the theoretical model is the effects of cultural factors on commitment. Several studies have investigated the relationship between these two multidimensional concepts. We are going to study the impact of cultural factors on overall organizational commitment. Then, an attempt is made to find the relationship of cultural factors with each type of commitment. Organizational commitment may be derived from one or more of the three components under study.

Organizational culture has been accepted to be related to the maintenance and development of organizational commitment ( Peter and Waterman's ,1982; O'Reilly and Chatman,1986; Schein,1990; O'Reilly et al,1991). For this study, dimensional approaches to study culture and organizational commitment have been adopted. Organizational commitment has been measured by using the three-component model proposed by Meyer and Allen (1991) which is a multi dimensional construct and has gained popularity and support over the past few years. It provides an in depth analysis of commitment and identifies three components of organizational commitment, namely, affective commitment, normative commitment and continuance commitment. Whereas organizational culture is represented by four traits namely; rewards, teamwork, training and communication. These dimensions were identified in studying organizational culture by Asian studies by Zain et. al, (2009) Boon and Arumugam (2006). Several other international studies also included these dimensions for e.g teamwork by (O'Reilly et al., 1991; Denison,1990) Rewards by(Schein, 1990), Communication by( Tsui et al, 2006 ; Xenikou and Simosi, 2006) and training by (Lau and Idris, 2001) to study culture.

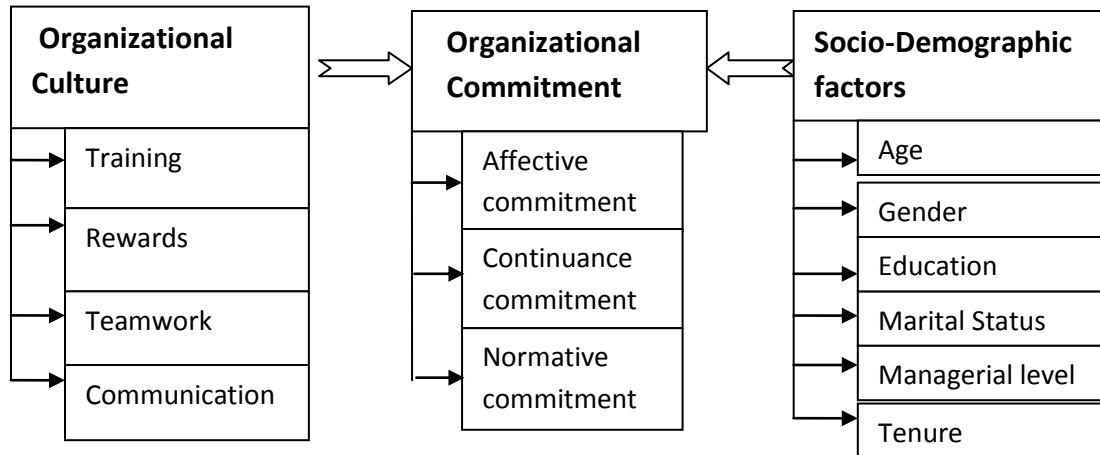
The hypothesized relationship between three dimensions of organizational commitment, four cultural factors and the demographic factors is as follows.

Teamwork is hypothesized to have; a significant relationship with commitment based on studies by Delarue, (2008) and Karia &Asaari (2006) etc. Similarly communication has been identified as an important factor in influencing employees' values and attitude necessary for commitment (Allen & Brady, 1997; Nakra, 2006). Rewards and training are also featured as important predictors of organizational commitment,

that is the dependant variable in this study. In a study by Driscoll and Randall (1999) satisfaction with rewards was a salient predictor of job involvement and affective commitment, but not continuance commitment. Organizational training and organizational commitment were found to be significantly associated with each other (Ahmad & Bakar, 2003).

The second part of the study focuses on relationship of Organizational Commitment with socio-demographic variables. Research suggests that demographic factors like age and tenure as well as marital status share a positive link with organizational commitment (Steers, 1977; Mathieu & Zajac , 1990; Allen & Meyer, 1990). The possible explanations for these relationships are greater investments in terms of time and effort, higher stakes involved, and higher responsibilities. People, who are relatively younger or have spent lesser time with their current organization, might have lower level of emotional attachment to the organization. On the other hand education level is anticipated to have a negative relationship with organizational commitment as people with lesser qualifications might have lesser employment opportunities. The results of Moon's study (1990) suggested that middle managers have relatively lower level of organizational commitment than top managers. On the contrary, people with higher positions, higher perks and salaries have lesser probability of leaving their jobs, therefore are expected to show higher commitment. Thus we are also going to study commitment construct for managerial level. Marital status might also have a relationship with the levels of commitment of employed personnel as such employees have greater household responsibilities. Therefore they need greater stability and safety in their jobs. Thus, they are more likely to be committed to their existing organizations as compared to their unmarried counterparts.

**Figure 1: Theoretical framework of the study**



## **1.5 RESEARCH QUESTIONS**

The main objective of this study was to explore the relationship between organizational commitment and its three components with four organizational cultural aspects. The secondary objective was to study the relationship of selected demographic variables with three components of commitment. To achieve these objectives the following questions were designed:

- 1) What is the relationship between demographic variables and the three forms of organizational commitment among the bank employees?
- 2) What is the relationship between organizational culture and its four dimensions with types of organizational commitment?

- 3) To what extent do the demographic factors, organizational culture and its subscales predict the level of organizational commitment and its forms?
- 4) Which set of predictor variables of the study (both demographic and organizational cultural) have the highest impact on organizational commitment and its forms?

## **1.6 RESEARCH HYPOTHESIS OF THE STUDY**

Organizational Commitment and Organizational Culture are complex and interrelated concepts. However, their relationship has not been empirically tested in any of the previous researches carried out in the banking sector of Pakistan. Thus this study may have a significant contribution as it will study this relationship for the banking sector exclusively.

This research tests the following hypotheses .

### ***Hypothesis1: Socio-demographic variables and Organizational commitment:***

*Hypothesis 1a): There is going to be a significant relationship between the socio-demographic variables (age, gender, marital status, current work experience, years of education and level of management) and overall commitment.*

*Hypothesis 1b): There is going to be a significant relationship between the socio-demographic variables (age, gender, marital status, current work experience, years of education and level of management) and affective commitment.*

Hypothesis 1c): *There is going to be a significant relationship between the socio-demographic variables (age, gender, marital status, current work experience, years of education and level of management) and continuance commitment.*

Hypothesis 1d): *There is going to be a significant relationship between the socio-demographic variables (age, gender, marital status, current work experience, years of education and level of management) and normative commitment.*

***Hypothesis2: Organizational culture and Overall Commitment;***

Hypothesis 2a): *There is going to be a significant relationship between the organizational culture and overall commitment.*

Hypothesis 2b): *There is going to be a significant relationship between the organizational culture and Affective commitment.*

Hypothesis 2c): *There is going to be a significant relationship between the organizational culture and Continuance commitment.*

Hypothesis 2d): *There is going to be a significant relationship between the organizational culture and Normative commitment.*

***Hypothesis 3: Organizational culture's first dimension i.e Training and forms of commitment:***

Hypothesis 3a): *There is going to be a significant relationship between the training and overall commitment.*

Hypothesis 3b): *There is going to be a significant relationship between the training and affective commitment.*

Hypothesis 3c): *There is going to be a significant relationship between the training and continuance commitment.*

Hypothesis 3d): *There is going to be a significant relationship between the training and normative commitment.*

***Hypothesis 4: Organizational culture's second dimension i.e Rewards and forms of commitment:***

Hypothesis 4a): *There is going to be a significant relationship between rewards and overall commitment*

Hypothesis 4b): *There is going to be a significant relationship between rewards and affective commitment*

Hypothesis 4c): *There is going to be a significant relationship between rewards and continuance commitment*

Hypothesis 4d): *There is going to be a significant relationship between rewards and normative commitment.*

***Hypothesis 5: Organizational culture's third dimension i.e Communication and forms of commitment:***

Hypothesis 5a): *There is going to be a significant relationship between organizational communication and overall commitment*

Hypothesis 5b): *There is going to be a significant relationship between organizational communication and affective commitment*

Hypothesis 5c): *There is going to be a significant relationship between organizational communication and continuance commitment*

Hypothesis 5d): *There is going to be a significant relationship between organizational communication and normative commitment.*

***Hypothesis 6: Organizational culture's fourth dimension i.e. Teamwork and forms of commitment:***



Hypothesis 6a): *There is going to be a significant relationship between teamwork and overall commitment.*

Hypothesis 6b): *There is going to be a significant relationship between teamwork and affective commitment*

Hypothesis 6c): *There is going to be a significant relationship between teamwork and continuance commitment*

Hypothesis 6d): *There is going to be a significant relationship between teamwork and normative commitment.*

## **1.7 SIGNIFICANCE OF THE STUDY**

Most banks in Pakistan have experienced and are experiencing restructuring, reengineering and downsizing which create a sense of insecurity amongst the employees. Banks, just like any other organization, need committed workers in order to face the worldwide economic competition. Unfortunately, there has been a dearth of research efforts linking organizational culture factors to commitment, especially for the banking sector of Pakistan. Only a handful of studies on commitment have been carried out in Pakistan (for e.g. Chughtai & Zafar ,2006 ; Tayyab & Tariq, 2001). These studies however did not discuss the role of organizational cultural practices on commitment. Many of these studies have focused on the effects of demographic factors, such as job level, age, tenure, and gender on the commitment levels of employees. Meyer et al, (2002) demonstrated that demographic variables played a relatively minor role in the development of organizational commitment, regardless of its form. In their study, work experiences were found to have much stronger

relations, particularly with affective commitment. Our study will attempt to find any such pattern in the local settings.

Moreover, most research on commitment in Pakistan has measured it as a uni-dimensional construct (e.g. Chughtai & Zafar, 2006; Iqbal, 2010; Bushra et al, 2011). This study is a modest attempt in the direction of bridging this gap by not only studying the impact of cultural factors on organizational commitment on the employees of the banking sector, but also measuring organizational commitment as a multi-dimensional construct.

This study will additionally study the impact of demographic variables (e.g. age, education, salary) on the three components of organizational commitment. These findings may assist in a more extensive examination of cultural and organizational commitment variables for employees with differing demographic variables.

Despite the establishment of the fact that workplace commitment leads to improved organizational performance, there is lack of interventions and strategies for improving workplace commitment among the employees and it has been overlooked by the organizations, (Bartlett, 2001; Pathardikar & Sahu, 2011). Thus the findings of this study may hold important implications for practitioners as this information may be able to not only assess the level of commitment among their employees but also help devise methods to enhance commitment and build a more effective organization. It is critical for managers to understand the type of culture that will enhance performance so that they can systematically aim to create and strengthen those cultural traits

## 1.8 DEFINITIONS OF VARIABLES

All of the dependant and independent variables included in this study are defined. The constitutive and operational definitions for the studied variables are provided in Table 1.

**Table 1. Constitutive and Operative definitions of Variables**

<b>Variable</b>	<b>Constitutive Definition</b>	<b>Operative Definition</b>
<i>Dependent Variable : Organizational Commitment</i>		
Overall Commitment	“Employee’s identification with the organization’s goals and values; their willingness to exert a great effort on behalf of the organization; and their intention to stay with the organization” (Meyer & Allen ,1997).	The mean of items 1-24 of section I of the survey <sup>a</sup> measured on a 7 point scale of 1=strongly disagree and 7= strongly agree
Affective Commitment	The emotional attachment, identification, and involvement that an employee has with its organization and goals	The mean of items 1-8 of section I of the survey measured on a 7 point scale of 1=strongly disagree and 7= strongly agree
Continuance Commitment	The employees’ commitment to the organization as they	The mean of items 9-16 of section I of the

	perceive high costs of losing organizational membership	survey measured on a 7 point scale of 1=strongly disagree and 7= strongly agree
Normative Commitment	The commitment that a person believes that they have to the organization or their feeling of obligation to their workplace.	The mean of items 17-24 of section I of the survey measured on a 7 point scale of 1=strongly disagree and 7= strongly agree
<b>Independent Variables: Organizational Cultural factors</b>		
Training and Development	“Systematic activities to develop and improve employees skill, knowledge and behaviors to enable them to perform job related duties, accomplish specific tasks and meet the quality requirements of human resource for the future” (Bulut & Culha,2010)	The mean of items 1-4 of section II of the survey measured on a 7 point scale of 1=strongly disagree and 7= strongly agree
Rewards	“All forms of financial return, tangible services and benefits an employee receives as part of an employment relationship” (Bratton & Gold, 1994).	The mean of items 5-9 of section II of the survey measured on a 7 point scale of 1=strongly disagree and 7= strongly agree

Teamwork	“The extent to which employees within a firm cooperate with each other and work in unison towards overall organizational goals.” (Delarue, et al, 2008)	The mean of items 10-13 of section II of the survey measured on a 7 point scale of 1=strongly disagree and 7= strongly agree
Organizational communication	“A process in which individuals and groups transact in a variety of ways and within different areas with the objective of carrying out organizational goals” (Smidts et al., 2001)	The mean of items 14-17of section II of the survey measured on a 7 point scale of 1=strongly disagree and 7= strongly agree
<b>Socio-demographic variables</b>		
Gender	Gender of the respondents	Response to item number 1, section III of the survey measured by 1 if male, 0 if female
Age	Age of the respondents in years	Response to item number 3, section III of the survey measured on a continuous scale
Marital Status	Whether the individual is married, single or otherwise	Response to item number 2, section III of the survey measured by 1 as unmarried and 0

		being married
Education	The number of years of formal education of the respondent	Response to item number 6, section III of the survey measured on continuous scale
Total Work experience	The number of years the respondent has been working	Response to item number 4, section III of the survey measured on continuous scale
Experience with the Organization	Total number of years the respondent has been working in the organization	Response to item number 5, section III of the survey measured on continuous scale
Management Level	The designation of the respondent	Response to item number 7, Section III of the survey measured by: Upper level, mid level & low level mgt and not in mgt. 3 dummy variables with not in mgt as base. D1:0=not in mngmt and 1=low level.

		D2:0= not in mngnt, 1=mid mngmt D3:0 = not in mngt 1= upper mngt
Department	The name of the department the individual is working in	Response to item number 8, section III of the survey

<sup>a</sup> The survey is in Appendix A.

## 1.9 STRUCTURE OF THE THESIS

This study employed the five-chapter dissertation format. Chapter 1 addressed the background of this study and research questions, statement of the problem and the significance of the study. The definitions of dependant and independent variables were also introduced in this chapter. The theoretical framework and hypotheses to be tested were also included in this chapter.

The second chapter gives a review of literature linked to organizational commitment; its forms, antecedents and outcomes. Organizational culture and its dimensions were also exhaustively reviewed with focus on those studies which have attempted to relate organizational culture with organizational commitment.

In Chapter 3, the research methodology was followed by discussing the sampling and data-collection procedures. It also discussed the

instrumentation and variable measurement in detail. The method of analysis to be carried out was also included.

In Chapter 4, the results of the study based on the relationship of independent variables with the dependant variables used in this study were presented. All of the Statistical models, result tables, were included.

In chapter 5 conclusions, a discussion, limitations, practical implications and recommendations for future research were presented.



## **CHAPTER 2 LITERATURE REVIEW**

### **2.1 THE EVOLUTION OF THE CONCEPT OF ORGANIZATIONAL COMMITMENT**

Interest in the concept of employee commitment began in the early twentieth century when the “human element” in organizations was recognized as one of the most important assets of the organizations. Some of the earliest advocates of the “human resource approach” were Mary Parker Follett (1924) and Chester Barnard (1938). Chester Barnard (1938) was a leading proponent of this approach and emphasized on the importance of development of a sense of obligation and cohesion in employees, which would lead to achievement of organizational goals. Later in the 1950’s, with the industrial revolution, further attention was given to organizational commitment, as the need arose to stimulate the work efforts of skilled workers. This marked the beginning of extensive research attention to the employee commitment concept (Morrow, 1983). Due to the sudden increased attention to the concept of commitment, there was a wide variety of definitions and measurement scales. In a study by Morrow (1983) which studied the commitment definitions and measures proposed since 1956, over twenty five commitment related constructs were identified. This study noted that the term “employee commitment” was associated with multiple meanings and constructs (e.g., job satisfaction, job involvement, motivation etc). Therefore some studies thereby focused on establishing organizational commitment as an independent and distinct construct. One such study was by Morrow and McElroy, (1986) which stated that organizational commitment did not overlap with other concepts as these concepts were concerned with work attitudes, while organizational commitment was organization related.

Researchers have largely used two main perspectives for studying the concept of organizational commitment. These are the *behavioral* and the *attitudinal* approaches.

In the 1960's the behavioral approaches to study commitment were widely popular, which focused on the "investments" made by employees. One such important theory was the "Side- bet theory", proposed by Becker (1960) according to which commitment is the continued association of an employee with his organization after he evaluates and recognizes the costs of leaving his organization. He claimed that "commitment comes into being when a person, by making a side bet, links extraneous interests with a consistent line of activity". According to this theory, the side bets would be surrendered if the employee decided to leave. In the same context, Kanter (1968) used the terms "profit" and "costs" associated with leaving to describe organizational commitment from an attitudinal perspective. More specifically Kanter (1968) defined commitment as "Profits associated with continued participation and a cost associated with leaving".

Some of the other important contributions in the field of commitment were later made by Buchanan,(1974), Mowday et al.,(1979) and Porter et al., (1976). Buchanan (1974) identified three aspects of organizational commitment. These are "(1) identification, that is, adopting as one's own the goals and values of the organization; (2) involvement, that is, psychological immersion or absorption in the activities of one's work role; and (3) loyalty, that is, a feeling of affection for and attachment to the organization."

In the 1980's the Organizational Commitment Questionnaire (OCQ) was developed by Porter and his colleagues (Mowday et al., 1982) which was increasingly used in later studies. It is the most widely accepted "attitudinal conceptualization of organizational commitment". This definition involved the acceptance of and belief in organizational values as well as the willingness of the employee to pursue organizational goals (Mowday et al., 1982). This measure was very popular and was continually used in international studies in the 70's and 80's and had become "the" approach to organizational commitment" (Reichers, 1985). Employees commitment was defined as as "an employee's identification with the organization's goals and values; their willingness to exert a great effort on behalf of the organization; and their intention to stay with the organization" (Porter et al., 1974). Most of the studies on commitment in Pakistan have also used this scale.

The OCQ faced some criticism, as it was said to be very broad, encompassing attitudinal as well as behavioral elements, which may not be a part of commitment but resultant of it. Morrow (1993) criticized the theory to have an artifactual correlation between commitment and outcome measures. Morrow (1993) noted that there was a tendency to confuse organizational commitment with other constructs like job involvement, work ethic or career commitment. He argued that a valid commitment construct should be unique and distinguishable from other related measure. Moreover in earlier studies, commitment was conceptualized as the desire to remain with the organization ( Mowday et al, 1982). However Reichers (1985) and O'Reilly and Chatman (1986) contended that the desire to stay with an organization is not an aspect but an outcome of organizational commitment. The OCQ failed to distinguish

between the bases and outcomes of the attachment of employees to organization. Reichers (1985) pointed out, the OCQ measured commitment in terms of itself by “including behavioral intentions that are supposed to be the result of commitment and not necessarily part of the construct”. She stressed on further research and conceptualization of commitment in order to separate the construct from its effects. A lack of examination of the organization itself in studying commitment in earlier studies was also pointed out. Therefore in the late 80’s, an attempt was made by O'Reilly & Chatman, (1986) to reconceptualize organizational commitment as a multidimensional concept. They based their work on earlier study by Kelman (1958) which is claimed to be the earliest study to introduce commitment as a multidimensional concept. Kelman (1958) had linked compliance, identification and internalization to employees commitment. Therefore, O'Reilly & Chatman, (1986) focused on the psychological attachment of an employee to his organization and clearly segregated organizational commitment of an employee from its hypothesized outcomes. They argued that commitment could take on three forms namely; compliance, identification and internalization, as proposed by Kelman (1958). A varying degree of these three psychological aspects was expected to be present in an employee. Later however, this measure developed by O'Reilly & Chatman (1986) was criticized to have reliability and construct validity problems. Further, later studies also found difficulty in differentiating between identification and internalization concepts. (Mathebula, ,2004).

Bateman and Strasser (1984) also operationally defined organizational commitment as “multidimensional in nature, involving an employee’s loyalty to the organization, willingness to exert effort on behalf of the

organization, degree of goal and value congruency with the organization, and desire to maintain membership”.

The three-component model of organizational commitment proposed by Meyer and Allen (1991) which is a multi dimensional construct has gained popularity and support over the years. It provided a more in depth analysis of commitment and identified three components of organizational commitment, namely, affective commitment, normative commitment and continuance commitment. A committed employee was defined as the employee that “stays with an organization, attends work regularly, puts in a full day and more, protects corporate assets, and believes in the organizational goals”, (Meyer & Allen ,1997).

An important rationale for the development of the Three-Component Model was the belief that, “although all three forms of commitment relate negatively to turnover, they relate differently to measures of other work-relevant behaviors (e.g., attendance, in-role performance, organizational citizenship behavior).”(Meyer et al.2002). They developed the three component model based on the common themes which were present in the existing literature to conceptualize commitment. Affective commitment involved the attitudinal attachment of the employee to his organization (Kanter, 1968). Continuance commitment addressed the costs of leaving and organization, as also proposed by Becker’s (1960) side-bet theory. While normative commitment referred to the internalized values, moral obligation and pressures to conform to organizational goals and values.

For this study this conceptual framework to analyze employee commitment is going to be used. The three dimensions used in the model studies organizational commitment from the perspectives of attachment

(affective commitment), obligation (normative commitment), and necessity (continuance commitment) respectively.

Allen's and Meyer's model has been used in latest studies across countries that are unraveling employee commitment and its relationship with various factors such as HR practices, (Conway & Monks, 2009; Gilbert et.al,2011) personal characteristics ( Bernadi & Guptill, 2008; Tang et al., (2012), job-related characteristics (Joiner & Bakalis ,2006; Natarajan &Nagar ,2011) and organizational culture (Mathew &Ogbonna, 2009;Pathardikar & Sahu, 2011; Meyer et al.,2010).

The three component model is going to be discussed in detail in section 2.3 of this thesis.

## **2.2 OUTCOMES AND ANTECEDENTS OF ORGANIZATIONAL COMMITMENT**

Numerous international studies have been directed at determining antecedents of Organizational Commitment. An early study by Steers (1977) identified three types of antecedents of commitment namely: personal characteristics, job characteristics and work experiences. Major influences on commitment were linked to work environment and work experiences by Steers,(1977). Personal characteristics included variables like age, education; opportunities for achievement etc. job characteristics studied were feedback, interaction, and task identity etc. Work experiences included organizational trust, rewards, attitude toward the organization and perceptions of employees' importance to the organization. Steers (1977) concluded that the antecedents of commitment are diverse in nature. The study also associated commitment to outcomes

like the intention to stay with the organization, as commitment was inversely related to turnover. However the relationship between commitment and performance was reported to be weak.

Organizational commitment has been used to predict withdrawal behaviors such as lateness, attendance and turnover. Commitment has been significantly, negatively associated with turnover and, to a lesser extent, with decreased performance and increased absenteeism and tardiness by Reichers (1985). Lower turnover has been identified as the strongest predictable behavioral outcome of employee commitment (Mowday et al.,1982)

Employees who have higher commitment levels for their organization are expected to have a higher level of job performance. Attendance has been found to be one of the most positively related outcomes to affective commitment. In a study by Steers (1997) employee commitment was found to be highly related to the low absenteeism of employees. Similarly, Gellatly (1995) found that continuance commitment was also significantly related with absenteeism rate of workers.

In another study examining a group of nurses , Somers (1995) reported nurses with lower levels of commitment were also found to show higher levels of absences. Similarly Porter et al. (1974) said that employees with lower levels of commitment had a higher likelihood to leave their respective organizations.

There is a positive link in the behavior of committed employees and their acceptance of organizational change. In their study, Su et al. (2009), reported commitment to have a significant relationship with employees'

acceptance of organizational changes. Higher commitment in employees enables employees to adapt to changes in a better manner. Organizational changes and measures such as downsizing, restructuring, introduction of new plants and state of the art technology or international expansion of businesses etc. are being witnessed in the current business environment as well as the banking sector. Thus highly committed employees can play a positive and constructive role in such circumstances.

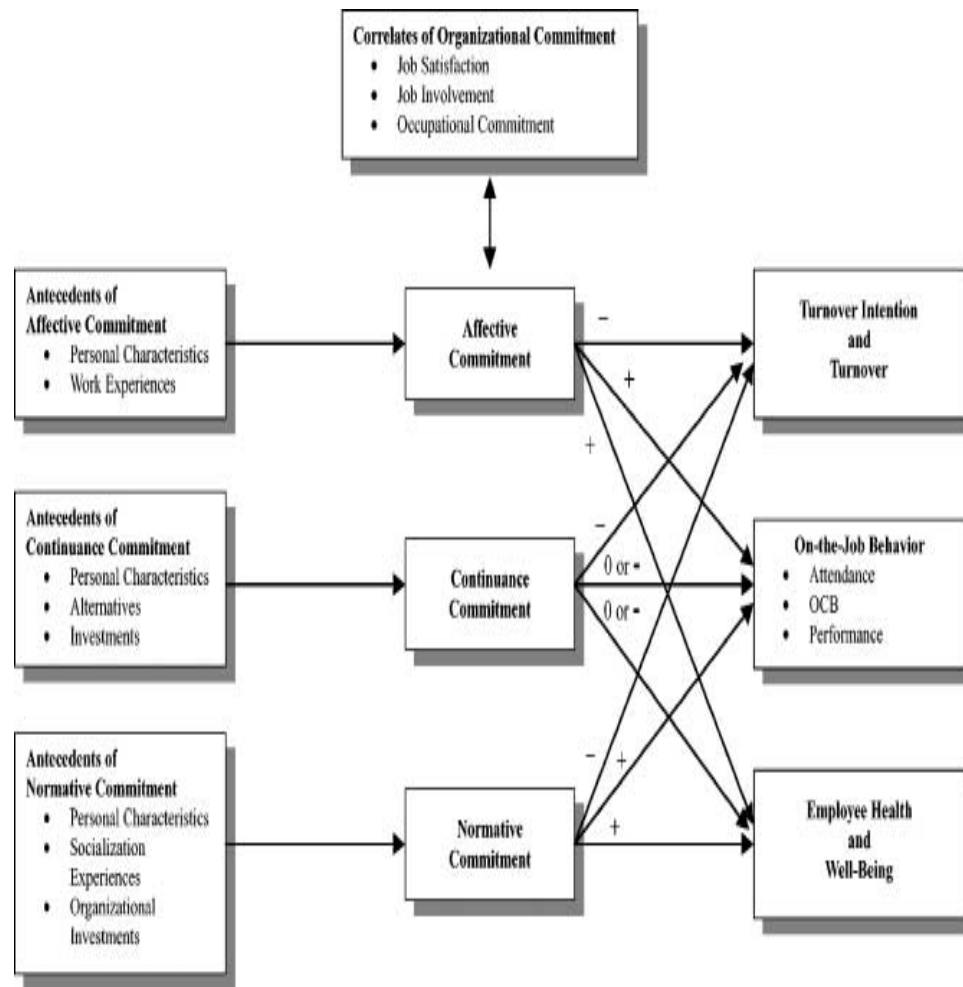
### **2.3 MEYER AND ALLEN'S (1991) THREE-COMPONENT MODEL OF COMMITMENT**

Earlier approaches on commitment were criticized for their lack of consistency in defining the construct of commitment and its antecedents. Meyer and Allen's model is the most popular multidimensional construct to study organizational commitment. Their model was developed by identifying common themes present in the existing literature to conceptualize commitment. Meyer and Allen, (1991) classified commitment model measures commitment from a behavioral perspective as opposed to earlier approaches of Mowday et al., (1982) which studied it from an attitudinal perspective. Reichers, (1985) also criticized the earlier one-dimensional approaches as deficient in several aspects as he suggested that an employee may experience different forms of commitment. Meyer and Allen initially proposed a two dimensional measure of commitment in 1984 by identifying the two components to be affective and continuance commitment. After further research, in 1990, the third component, normative commitment was added to their scale. They argued that these three components have different antecedents and thus have different implications and job related outcomes for organizations. Figure 2 which was presented by Meyer & Allen(1991, 1997) identifies the broad



categories of variables expected to play a role in the development of three forms of commitment, on the left hand side. While the possible consequences of the three forms of commitment have been listed on the right hand side of the figure.

**Figure 2: The three component model of organizational commitment ( Allen and Meyer, 1991)**



As is clear from the Figure 2, all three forms of commitment have a different nature of relationship with work related behaviour and different possible antecedants. It is however, important to note that all three forms

of commitment have a negative relationship with turnover. Now we proceed to the discussion of these three components of organizational commitment.

## **2.4 FORMS OF ORGANIZATIONAL COMMITMENT**

### ***2.4.1 Affective commitment***

Affective commitment was reported to develop among employees primarily from positive job experiences and was associated with desirable outcomes such as higher citizenship behavior, lower level of absenteeism and tardiness, (Meyer & Allen, 1997).

Affective commitment refers to employees' emotional attachment to, identification with and involvement in the organization (Allen & Meyer, 1990). Affective commitment among employees has been reported to improve the operational aspects of the organization such as greater job satisfaction, increased performance levels and involvement. Additionally, it has been linked to "behaviors of good citizenship" and lower turnover rates (Meyer & Allen, 1997; Morrow, 1993). Employees having a strong affective commitment work in an organization because they want to (Meyer & Allen, 1997), and they show greater willingness to exert more effort on behalf of the organization.

### ***2.4.2 Continuance commitment***

Continuance commitment is defined as the employees' commitment to the organization as they perceive high costs of losing organizational membership and is derived from socioeconomic costs. This includes "economic costs such as pension accruals and social costs such as friendship and ties developed with colleagues", (Meyer & Allen, 1991). It

also signals employees' awareness of the relative advantages connected with staying or leaving their job with an organization. Meyer and Allen (1997) found no relationship between continuance commitment and performance of workers and found that employees with relatively higher continuance commitment may perform only as required to stay employed. Continuance commitment's two main antecedents included lack of job alternatives and "side bets". This view coincides with Becker's (1960) side-bet theory which presents commitment as a calculative concept as the employee recognizes the costs associated with leaving the job. According to this approach, organizations create side bets for their employees through practices that bind the employees into continued organizational membership. Anything that includes side bets or investments over time such as seniority based privileges , attractive benefits in terms of money and time and effort put in by the employees or organization specific skills create commitment that is post hoc (Wasti,2002 ; Malhotra et al., 2007). In other words individuals find it difficult to leave the organization as they have sunk costs and cannot afford to separate themselves from it (Mathieu & Zajac, 1990).

It is more difficult for employees with higher continuance commitment to leave the organization because of higher "un-transferable investments" e.g. pensions, retirement, bond with co-workers, and years of service. In the current economic scenario, workers may be motivated by continuance commitment because of the lack of job opportunities, rather than any other advantages of staying with their organization. This aspect needs to be explored in the context of banking employees in Pakistan.

### ***2.4.3 Normative commitment***

Lastly, normative commitment may be derived from many sources. It is derived from employees' sense of obligation towards the organization (Meyer & Allen, 1991). It relates to the internalized pressures to act in conformity with organizational goals. For example: Employees feels a moral obligation to do their best at work and stay loyal to the organization if it has invested resources in training them. Normative commitment has been reported as a predictor of organizational commitment, though not as strong as affective commitment.

Normative commitment is predictive of job related positive outcomes but not as strongly as affective commitment. It develops before entry (through familial and cultural socialization) or after entry in the organization (through organizational socialization, (Wasti, 2002). Mathieu and Zajac defined normative commitment as “a process where organizational actions such as selection, socialization procedures, as well as individual predispositions such as personal-organizational value congruence lead to the development of normative commitment.”

Further explaining normative commitment, Allen and Meyer (1996) said that a workers early socialization experiences may have a more influential role than the specific organizational experiences. Family based experiences regarding job (for instance parents may emphasize loyalty to ones' organization) and culturally ingrained experiences (for instance job hopping may be looked down in some societies) may have a relatively stronger role in explaining normative commitment for an employee. Moreover Allen and Meyer conjectured that organizational experiences provided to the employee that he perceives to be more than can be easily

reciprocated also can increase normative commitment. In a latest Pakistani study on the NGO sector (Salim et al., 2012) normative commitment was observed to be the highest amongst the respondents. The reason given was that Pakistani society is collectivist in nature which generates expectations for loyalty of the employees to the organization. In the same study, continuance commitment had a higher presence as compared to affective commitment as well. The interviews conducted on the respondents revealed that workers didn't want to leave their organizations because of family obligations and limited opportunities of employment within the geographical areas the NGO's were operational.

The advantages of affective commitment are expected to be greatest for organizations in the form of desirable work behavior, whereas the outcomes of continuance commitment can be negative.

According to Meyer and Allen (1990) all three approaches share a link between the employee and the organization that decreases the likelihood of turnover, but the nature of the link differs. Thus their findings claim that employees with strong affective commitment remain because they *want* to, those with strong continuance commitment because they *need* to and the ones with strong normative commitment as they feel they *ought* to. They claimed that affective, continuance and normative are components and not types of commitment and employees may experience each of these states to varying degrees. They evidenced some overlap between affective and normative commitment, but also found them both to be relatively independent of continuance commitment. Continuance commitment has been found to be quite distinct and does not relate to the other two components of organizational commitment (Meyer et al., 1993).

An ideal commitment profile for an organization would constitute higher affective commitment and lower continuance commitment as it would lead to higher motivation and performance. The relationship between culture and commitment needs to be studied further as most of the studies used the affective commitment component to measure commitment (Malhotra et al., 2007).

So summarily *Affective Commitment* is the emotional and psychological attachment of the worker to his organization. *Continuance Commitment* is related to the costs the employees' associate with staying or leaving the organization. Lastly, *Normative Commitment* is the employees' perceived obligation to remain with the organization

## **2.5 ORGANIZATIONAL CULTURE : THE CONCEPT AND ITS LINK WITH ORGANIZATIONAL COMMITMENT.**

Due to the constantly changing market environments, managers are continually on the lookout for ways to achieve greater competitive advantage and employee commitment. Their expectations from the workforce are increasing. From a review of literature; many antecedents of commitment were identified. Personal characteristics (e.g. age, education, gender etc), Job characteristics (e.g. job challenge, amount of feedback etc) and work experiences (e.g. organizational trust, dependability etc) have been researched by numerous studies for their impact on commitment. The managers are responsible for important organizational outcomes and their understanding of how the internal processes of the firm relate to those outcomes is vital. Commitment is pertinent in this context as committed employees are the organizations

most important resources (Downs et al., 1995). As committed employees have low turnover rates, it leads to reducing costs and improving productivity.

Various factors have an influence over an employees' commitment profile, one of the most vital ones being organizational culture, as studied in this research. Organizational culture has been accepted to be related to important organizational and individual level outcomes.(Schein,1990; O'Reilly et al,1991;Jung et al.,2009). Peter and Waterman's (1982) study was one of the earliest ones to report a link between a strong culture and higher financial performance of an organization. Moreover , organizational culture has been highlighted as one of the important factors in “developing and maintaining high levels of employees' commitment to their organization”(O'Reilly and Chatman,1986). Similarly, Kotter and Heskett (1992) claimed that organizational culture has a significant impact on an organization's long term economic performance. They also stated that even though organizational cultures are difficult to change, but they can be changed in order to enhance the performance of the company. Similarly Joiner and Bakalis (2006) said that practices employed by the managers to assist employees to understand their role and job, can deeply influence organizational commitment. Balfour and Wechsler (1996) claimed that commitment was not something that is based on individuals' personal characteristics or predispositions; rather it is enhanced or diminished because of organizational policies and practices. Cultural factors studied in this research constitute important organizational processes which are linked to employees' commitment. The link between the two constructs has been extensively studied and multiple dimensions of corporate culture related to organizational commitment have been

identified and measured. An important study by O'Reilly et al (1991) which studied the person-culture fit found out that the likelihood to stay with the organization was directly related to the degree to which employees preferred cultural practices matched organizational realities. O'Reilly et al (1991) found person culture fit to be significantly related to normative form of commitment. However demographic variables such as gender, age and tenure did not show any significant relationship with the cultural variables. Similarly a very recent longitudinal study by Meyer et al., (2010) also found a strong relationship between the cultural fit and employee affective commitment during the stages of organizational change. They argued that “the more an organization’s policies and practices reflect concern for employee morale and development, the more employees want and intend to stay”.

For this study, a multi-dimensional approach to study culture has been adopted where it is represented by four traits namely; rewards, teamwork, training and communication. These four cultural dimensions have been identified and included in studying organizational culture by numerous studies on teamwork by (O'Reilly et al., 1991; Denison,1990) on rewards by(Schein, 1990), on communication by( Tsui et al, 2006 ; Xenikou and Simosi, 2006) and on training by (Lau and Idris, 2001). These dimensions and their impact on commitment has been individually discussed in the later sections of this chapter. We now proceed to the discussion of the evolution and development of the concept of organizational culture.

Culture, before the late 1970's, was not given its due importance in organizational studies and was largely taken for granted (Schein, 1990). Moreover, the terms culture and climate were not well defined and were



used interchangeably in many studies in that era. Therefore later studies established that these two constructs are distinct. However it was later also established that “these two concepts differ more in interpretation rather than the phenomenon themselves” (Denison,1990).

Pettigrew (1979) has been claimed to use “organizational culture” for the first time as a formal term and thereafter it gained popularity within organizational studies. There have been multiple reasons associated with it, for example Lynn Meek (1992) noted that during the 80’s and 90’s Japanese corporations were highly successful whereas western companies faced productivity decline and faced severe competition. The success of Japanese companies was linked to cultural features which led to researchers emphasizing culture as opposed to organizational functioning. Secondly Lynn Meek (1992) noted that there was a shift from traditional emphasis on control of behavior and output measurement towards the development of new methods to ‘control people’ and their commitment. Moreover, there was a noted shift from the hard, scientific management approach towards a considerate, softer approach and understanding. Nowadays workers motivation is driven by a number of factors than merely economic rewards and the cultural concepts opened the doors for the development of a more successful approach.

Researchers over the years have attempted to understand and conceptualize organizational cultural as well its nature and determinants. They are looking for answers as to how can organizational culture be gauged and thereby changed to meet organizational requirements (Jung et al., 2009). Consequently a wide range of definitions and instrumentation for organizational culture have appeared.

A variety of perspectives have been introduced to study Organizational cultural and it does not have just one single definition as it has been conceptualized and measured in several ways. Different disciplines like anthropology, sociology, organizational behavior and other management sciences have approached and studied it in different ways. Moreover, organizational culture has been either measured based on typologies or dimension, depending on the nature and purpose of the studies. The concepts that we are going to discuss are the ones which are relevant to the scope of this study.

Geert Hofstede is acclaimed to be the pioneer in the study of cultures and his research work (*Culture's Consequences*, 1980, reprinted afresh in 2001) across 50 nations laid the groundwork for further research to adapt his work to study organizational cultures. His study focused on national cultures and their impact on organizational behavior and he identified five main dimensions based on which cultures vary across nations. Those were 1) Power distance, 2) Uncertainty avoidance, 3) Individualism, 4) Masculinity or Femininity, 5) Long-term or Short-term orientation. Hofstede (2001) did clearly indicate that national and organizational cultures vary in nature as national culture stemmed from consistency in values whereas organizational cultures stemmed from consistency in practices. Subsequently, researchers adapted Hofstede's work to study and investigate organizational cultures.

Schein was one of the most influential scholars to present a conceptual framework for analyzing organizational culture. He described culture comprising of assumptions, values and artifacts (Schein, 1985). Assumptions are the beliefs held by employees about reality, values

represent the goals, principles and standards considered to be of intrinsic worth, while artifacts are tangible outcomes of the activity grounded in values and assumptions (Schein, 1985). According to Schein (1990) understanding of organizational culture is fundamental to examine what goes on in organizations, how to run them and how to improve them. He described culture as “a pattern of basic assumptions invented, discovered or developed by a given group as it learns to cope with its problem of external adaptation and internal integration.” Similarly, Myerson and Martin (1987) highlighted culture to be made up of practices, artifacts and content themes, where practices are the rules and procedures within an organization.

Organizational culture plays an important role in improving the effectiveness and efficiency of company's performance as “it is able to influence the thoughts, feelings, interactions and performance in an organization” (Saeed & Hassan, 2000). “Culture is to the organization, what personality is to an individual” (Rashid et al., 2003). Organizational culture has also been termed as a management philosophy and has been defined by Lawson and Shen, (1998) as “the set of social expectations and standards as well as the values and beliefs that individuals hold central and that bind them in organizational groups”. It has also been defined as a set of dominant values espoused by an organization, underlying the statement “this is how we do things around here” (Rashid et al.2003). According to Deal and Kennedy (1988), cultures can be classified as either strong or weak. A strong culture exists if the members of an organization support a culture and there is a presence of strong belief and value system with well understood rules and expectations. A weak culture, on the other hand, does not have strong support and is not rooted in the workers' activities and

value systems (Deal and Kennedy, 1988). O'Reilly et al., (1991) had in an earlier study identified four mechanisms to develop and maximize the advantages of organizational culture namely participation, management of symbolic actions, information and comprehensive reward system. According to O'Reilly et al (1991), organizational culture plays a key role in determining the employee-organization fit. They developed an instrument named the Organization Culture Profile (OCP), in which they include 54 statements to assess values characteristic of a particular organization and an individual's preference for those set of variables. They found that employees tend to be more committed to organizations that have similar perceived values as to their preferred set of cultural values. In the same study normative commitment was found to have a positive relationship with person culture fit while age, gender and tenure showed no significant relationship with cultural values.

Another set of the more popularly used instruments to measure organizational culture were the OCAI (Organizational Culture Assessment Instrument) developed by Cameron and Quinn (1999) and the OCI (Organizational Culture inventory) developed by Cooke and Lafferty (1986). In the OCAI, Cameron and Quinn (1999) created four organizational types namely; Clan, Adhocracy, Hierarchy, and Market. They emphasized that there was no one correct type for any one organization and the instrument helped in assessing the appropriateness of a certain typology, keeping the organizations goals in mind. This instrument did face some criticism as researchers said that it pigeonholed organizations into generic categories, however OCAI proponents claim that it is easy to implement and is relatively less costly, while facilitating maximum participation at all levels of organization. The OCI developed

by Cook and Lafferty (1986) also categorized organizations into three types namely; Constructive, Passive/Defensive and Aggressive/Defensive. This instrument facilitated in planning for cultural change as it had the capacity to identify the “ideal culture” for a particular organization and also allowed to compare the actual and ideal cultures. It faced the same criticism as OCAI and was also claimed not to be user friendly or as simple as the OCAI. Despite the drawbacks both of the above mentioned instruments are being widely used in researches.

Culture is shaped by individual as well as new and old organizational features such as organizational structures; routines, command and control expectations, and operational norms. Another study that developed a typology for organizational culture was by Wallach (1983). It provided a cultural typology which included bureaucratic, innovative and supportive dimensions of culture. Bureaucratic culture focused on the hierarchical and procedural aspects of the company. An innovative culture provided opportunities for creativeness, result orientation and challenging work environment. While supportive culture endorsed teamwork, a people friendly and trusting environment. A study by Odom et al., (1990) used Wallach's (1983) typology of cultures to determine the commitment levels of employees of transportation workers. They found the predominant culture to be bureaucratic; however supportive culture was reported to have a strong positive impact on commitment, as compared to the other two cultural types. Innovative culture also played a role in enhancing employee attitudes and behaviors. In another study by Tripathi and Kapoor, (2000), two dimensions of culture were identified, being participative and manipulative. In a manipulative culture people are loyal towards the organization (at least apparently) but it might not essentially

lead to total success. On the other hand in a participative culture, its members feel involved and the organizational goals are more successfully expected to be achieved. In another important study carried out by Owens (2001) four cultural dimensions namely ecology, milieu, organizational structure and cultural values were identified. Ecology included physical factors such as infra structure and technology in an organization. Milieu referred to Human resource practices and social system factors such as demographics, rewards, leadership etc. Organizational structure included rules, communication, goals etc. Whereas cultural values encompassed psycho-social characteristics like values and norms of organizational membership. These dimensions were studied in relation to three forms of commitment in a recent study by Pathardikar and Sahu(2011). All the cultural dimensions stated, except milieu, were related to one or more forms of commitment. For example they found a positive relationship between ecology and affective commitment and a negative relationship of cultural values and normative commitment. The justification for no relation between milieu and commitment was that standardized HR practices were being followed in the researched organization, for all employees. Therefore they concluded that job sector may affect the culture and results may vary across organizations.

In a more recent study by Xenikou and Simosi (2006), it is proposed three cultural orientations were proposed, based on previous studies, namely humanistic orientation, achievement orientation and adaptive orientation. In the humanistic approach the emphasis was on practices to promote cooperation amongst employees, teamwork, participation in decision making and social support. Whereas the achievement orientation approach emphasizes on setting difficult but attainable goals and

motivating employees by communicating and providing feedback on their performance. Thirdly the adaptive approach focused on the culture-performance link based on the contingency factors, mainly the competitive environment. Their study found that cultures with achievement and humanistic orientations had a positive impact on effectiveness of the organization. However, an indirect positive effect of cultures with humanistic orientation was noted on performance.

The right fit between an organization and the employee's expectations and traits has been emphasized across organizational cultural studies to increase the commitment and performance levels of employees (Wallach, 1983; O'Reilly et al., 1991). Deal and Kennedy (1988) also emphasized that employees will tend to be more committed to their organizations if their values coincide with those of the organization. A recent longitudinal study by Meyer et al., (2010) studied the relationship of employee commitment with cultural fit prior to and following organizational change, as employee commitment to an organization has been found to be related to support for organizational change. They found employee commitment to be positively linked to person-culture fit and employees wanted to stay with an organization that encouraged innovation, growth and whose practices reflected concern for employee development (Meyer et al., 2010). The results of a study by Rashid et al., (2003) also showed a significant relationship between an organizational culture and commitment in a developing country setting. In a more recent study Pathardikar and Sahu (2011), organizational culture's relationship was studied with the three forms of commitment. The study found the cultural dimensions to be significantly associated with organizational commitment.

In another study conducted in Chinese organizations by Tsui et al (2006), it was found that employees expressed a higher level of commitment and lower level of intention to quit in an “integrative culture” due to shared values amongst themselves, as opposed to a hierarchal culture. A company with a highly integrative culture is the one that “devotes equally high levels of attention to employee development and harmony, which facilitates internal integration and a customer orientation, social responsibility and innovation”, (Tsui et.al, 2006). This model of organizational culture was consistent with the framework proposed by Schein (1990).

As is clear from the above discussion, organizational culture is related to organizational commitment. However, it has been defined and studied from various aspects “There is no ideal instrument to measure organizational cultural, thus, the degree to which any measure is seen as “fit for purpose” depends on the particular reason for which it is to be used and the context within which it is to be applied.” (Jung et al, 2009). In the 70’s, qualitative methods were more popular to study organizational culture, however because of their limited generalizability and time intensiveness, quantitative instruments started to be developed. From the late 1980’s, a shift towards the quantitative approaches to measure culture was identified. In a Meta – analysis study carried out by Jung et, al. (2009), more than 100 dimensions linked to organizational culture were included in over seventy instruments. They argued that dimensional approaches help in focusing on specific organizational cultural variables, such as innovation, training, job satisfaction, or values. The dimensions included in the instruments ranged from 1 to 12. The four cultural factors selected for this study (namely, teamwork, communication, rewards and



training) do not exhaustively represent organizational culture; however they were featured amongst the most prominent dimensions identified by Jung et al., (2009) in their meta-analysis of culture instruments.

Several studies around the globe have studied the relationship of organizational commitment with this study's cultural factors i.e *teamwork* (Karia and Ahmad, 2000), *rewards* (Malhotra et al., 2007; S. Su et al, 2009), *communication* (Myers and Myers, 1982) and *training* (Karia & Asaari, 2006; Bulut & Culha, 2010). Studies by Ricardo & Jolly (1997) and Lau & Idris (2001) also identified these four dimensions to have the highest effect on organizational commitment. Ricardo and Jolly (1997) included these four dimensions along with four others (Planning, decision-making, creativity and fairness) to study the effect on organizational commitment. A few studies (e.g Zain et. al, 2009; Boon and Arumugam, 2006) that were conducted in South Asian countries also used these four dimensions to represent organizational culture and their relationship with organizational commitment was found to be significant. Similarly the four mechanisms studied by O'Reilly et al., (1991) also incorporate the four cultural dimensions chosen for this study. For example, they emphasized that clear and consistent message (communication) from management and co-workers to be an important determinant of culture. Moreover, they also suggested that a comprehensive reward system helps promote organizational culture. Similarly participation between employees (teamwork) develops a sense of responsibility and higher commitment. (O'Reilly et al., 1991).

Therefore, for this study a multi-dimensional approach to study organizational culture is used, which is represented by the above-

mentioned four dimensions, based on their higher significance and relevance to organizational commitment of banking sector employees. .

We are now going to review the concept of each dimension of culture and how it is expected to impact various forms of employees' commitment.

## **2.6 ORGANIZATIONAL CULTURAL FACTORS**

### ***2.6.1 Rewards and Organizational Commitment***

Reward refers to “all forms of financial return, tangible services and benefits an employee receives as part of an employment relationship”, (Bratton & Gold, 1994). The managers need to recognize which rewards will be important for which employee, as the reasons of employee commitment are also distinct in nature (Malhotra et al., 2007). This will help the managers to know what they can do to motivate the employees which will result in successful service encounters, leading to the eventual success of the organization. Commitment can be enhanced by acknowledging the contribution of the workers for the organization.

Rewards are widely categorized into two types: extrinsic and intrinsic rewards. Extrinsic rewards result from extrinsic, non job related elements such as friendly work environment, good working conditions, fringe benefits, promotional opportunities (Malhotra et al., 2007). While intrinsic rewards are those that are inbuilt in the job's content such as autonomy, motivational job characteristics etc (Malhotra et al., 2007). Meyer and Allen (1991) explored the factors involved in significantly predicting organizational commitment and job satisfaction for blue collared workers in a study. They found that, extrinsic and intrinsic

rewards were strongly related to organizational commitment along with job characteristics and job satisfaction. Peters and Waterman (1982) referred to culture being “a reward of work”.

It has been reported that the employees who are rewarded for their performances have a higher probability of increased motivation to excel and of increased commitment (S. Su et al, 2009). Rewards can be made contingent on employees’ performance as they will be encouraged to put in extra effort by the provision of creating links between performance and rewards. Rewards have been positively linked to normative commitment as receiving special favors or other rewards from the organization creates obligation in the employee to stay with it.

In a study by Malhotra et al. (2007), the link between reward and the three components of commitment was empirically investigated for call centre employees of banks in UK. In their study, promotional opportunities, which are a form of extrinsic rewards, were found to significantly and positively influence affective commitment. Promotional opportunities are generally perceived as the organizations concern for its employees’ career advancement and thus may create feelings of attachment of employees towards the organization. Similarly satisfaction with fringe benefits was found to enhance normative commitment as it creates a feeling of obligation and “fulfillment of the psychological contract”. The study by Malhotra et al (2007) however also evidenced that intrinsic rewards have a more powerful impact on commitment as compared to extrinsic rewards. Its components such as autonomy, role clarity and participation in decision making were significantly positively related to commitment.

Continuance commitment was found to be influenced only by extrinsic rewards in various studies, (Mathieu & Zajac, 1990; Malhotra et al., 2007). Interestingly, a study on Turkish banks employees for service recovery performance by Yavas et al (2003) deduced no link between rewards offered and employees' service recovery performance. This was attributed to the customer service orientation trend to being still in its infancy. In another study by Driscoll and Randall (1999) found that satisfaction with rewards in an organization was a strong predictor of affective commitment but was not found to be linked to continuance commitment.

### ***2.6.2 Training and Organizational Commitment***

Training has been defined as “systematic activities to develop and improve employees skill, knowledge and behaviors to enable them to perform job related duties, accomplish specific tasks and meet the quality requirements of human resource for the future”, (Bulut & Culha,2010). Training has been proven to significantly enhance various types of employee commitment, with correlations to affective commitment being the strongest (Ahmad&Bakar, 2003). Training is an incentive and an “investment” made by the employers, which according to the exchange perspective may instill feelings of obligation amongst workers (Malhotra et al., 2007). It is a non-financial motivator and can also help foster loyalty amongst workers. Training can instill confidence in the employee by providing them with the required knowledge and skills to carry out their jobs and can help them in coping with rapidly changing technological and market conditions. Different research findings support the increase in

commitment by training and development activities (Karia & Asaari, 2006; Zain et al, 2009). Investment in training has been reported to enhance organizational performance by increasing the skills, knowledge and motivation level of the employees which leads to higher commitment. Organizations that are actively assisting their workers for growth in their professions by undergoing training are expected to foster a stronger bond with their employees.

In the study by Bulut and Culha(2010), various dimensions of training (motivation for training, support for training, access to training, and perceived benefits of training) were studied for their impact on organizational commitment of hotel industry employees. All four dimensions were found to be positively, significantly and jointly impacting organizational commitment of the employees.

In a Malaysian study by Ahmad and Bakar (2003) the association between five training variables and the three aspects of commitment as proposed by Meyer and Allen (1991) was investigated. The five dimensions of training in their study were; availability of training, motivation to learn, support for training, training environment and perceived benefits of training. Training motivation can play an instrumental role in making the training programs more effective. Trainees who have a high involvement and interest in their work are going to be more likely to take interest in training. Commitment will begin to develop when an employee is motivated (Ahmad & Bakar, 2003). In the above mentioned study, availability of support and motivation for training had a positive relationship with overall, normative and affective organizational commitment. Support for training had a significant impact on affective commitment as the

employees felt more valued by their organization. However these aspects did not impact continuance commitment as employees did not take this factor under consideration when switching jobs and did not consider it as a high cost of leaving. Training was also found to positively influence normative commitment. The receipt of training from the organization can create obligation employees to reciprocate by continuing their stay with the organization.

In a study by Su, Biard and Blair (2009), relationship between training and various forms of commitment was examined for employees working at different levels. Training was negatively associated with commitment for employees working as product and IT managers (level 3). On the other hand training was reported to have a positive relation with the level of commitment for plant and quality managers (level 4). Moreover the findings suggested that training had no impact on the level of commitment of managers at the top level such as CEOs and general managers. Thus it seems that training is going to enhance commitment at the lower management level that is more enthusiastic and eager about such programs as opposed to the senior level management.

Most of the managers consider training of employees as a long term investment and a wasted cost (Bulut & Culha, 2010) and in times of recession especially, they tend to cut back on training budgets. However, the opposite should be practiced, as training will create higher commitment and lower turnover amongst employees, which in turn will give the service companies a competitive advantage. Therefore the managers should plan and ensure availability and access to skill enhancing

training programs to all employees in the organization as the benefits will be reaped by both the parties.

### ***2.6.3 Team Work and Organizational Commitment***

Effective organizations empower their employees by building their organization around teams and developing human capability (Denison, 1990). Teamwork refers to “the extent to which employees within a firm cooperate with each other and work in unison towards overall organizational goals” (Delarue, et al, 2008). At different times and in different settings, various terms such as ‘teams’, ‘groups’ and ‘work units’ have been identified to describe this form of work. Costa, (2003) defines work teams as “real organizational groups that has some attainable outcome for which team members are responsible for. There is also a sufficient task interdependence and individuals understandings and expected pattern of behavior”.

Teamwork has emerged as one of the most important ways of reorganizing work, as pointed out by Delarue et.al (2008). It has also been dubbed to be of great importance in the delivery of superior services (Yavas et al, 2003). Organizations are becoming flatter and team centered, giving way to more collaborative approaches that support co-ordination amongst employees, and participation in decision making (Costa, 2003). Many organizations focus on developing and fostering teamwork across the business functions in order reach higher performance and goal achievement. Team work and the level of commitment shared a positive association as found by several studies (Karia & Asaari; 2006, Su et al 2009) as such work relationships, characterized by trust, increase cooperation and commitment, while reducing conflict amongst the

members. Trust between team members plays an important role in determining the team members' attitude towards the organization and has been suggested to have a positive impact on affective commitment while a negative effect on continuance commitment was also reported, (Costa, 2003).

Teamwork gives the employees the chance to learn from each other, cooperate rather than compete in service related opportunities and problems (Yavas et al, 2003). Team support plays a crucial role in assessing the success of a team. An individual cannot accomplish his task in a team on his own. Thus provision of support by team members will lead to fruitful interactions and co operations as well as building of trust. As a result the team member will also be willing to put in extra effort through greater commitment to his work and positive attitudinal and behavior changes. Karia and Asaari (2006) found that teamwork was the most effective practice in influencing organizational success as it helped in developing a good, supportive relationship between workers and managers. The other variables, in total quality management practices, of significance in their study with regards to commitment were training and problem prevention. Thus the level of commitment of employees is anticipated to be relatively higher in organizations where teamwork is encouraged and practiced. The employees should have the influence in decision making in their respective groups and be able to take initiatives in improvement of quality of the services produced. People should be motivated to do their best through such practices. However in another study by Malhotra et al., (2007) teamwork was not a significant predictor of commitment amongst call centre employees of retail banks, which



could be linked to the nature of work where the workers are primarily working on an individual basis.

#### ***2.6.4 Communication and Organizational Commitment***

A growing body of literature has linked effective communication to positive outcomes such as employees job satisfaction, motivation, lower turnover, better organizational climate and commitment which ultimately leads to better organizational performance (Nakra,2006).

Organizational communication is defined as “a process whereby individuals and groups transact in a variety of ways and within different areas with the objective of carrying out organizational goals” (Smidts et al., 2001).Myers and Myers (1982) define organizational communication as “the central binding force that permits coordination among people and thus allows for organized behavior”. They identified three primary functions of communication namely, coordination and regulation of production activities, socialization and innovation.

Various studies have established the fact that through open and clear communication, administrators and employees can get to a mutual understanding of each other’s expectations and demands, thus building a lasting, more effective work environment. It is acknowledged that the more adequate the information about the organizational issues the employees receives, the more they will identify with the organization (Smidt et al, 2001). They also stated that employees receiving sufficient information about their personal roles and expectations regarding their contribution can increase their understanding of company norms. A positive communication climate invites an employee to actively participate

in discussions regarding organizational issues and be involved in decision making, which leads to enhanced feelings of self worth. In a study by Allen and Brady (1997) different aspects of superior-subordinate communication were significantly related to employee's commitment. They further elaborated that "a good employee top management communication relationship is one where employees perceive top management communicates honestly and openly with employees and provides them with timely, useful, clear and accurate information." (Allen and Brady,1997). In a study by Boon and Arumugam (2006) the relationship between commitment and the four variables selected for this study (teamwork, rewards, communication and training) was tested. The results indicated communication to be the strongest predictor of commitment amongst all four.

The communication satisfaction questionnaire, also referred to as COMSAT was developed by Downs and Hazen (1977).It is a popular tool to measure the communication satisfaction amongst employees. It has been translated in several languages and used across borders in different organizational settings and has been found to be relevant and relevant. It highlighted and constituted of eight factors which studied employees' level of satisfaction with the organizational communication. Those factors were 1) Organizational Perspective which referred to information concerning the organization such as its goals and performance, as well as information about external events impacting the organization (Downs et al., 1995). 2) Organizational integration, which refers to the nature of communication and information in the immediate work unit or environment of the employee. 3) Personal Feedback which referred to how the workers' feel they are being judged and how their performance is

being appraised. 4) Relation with superior measured the communication satisfaction with the superior and included both upward and downward communication. The aspects studied were how open the superiors are to the subordinates in work related matters, their trust level in employees and their ability to listen. 5) Informal/Horizontal communication refers to the accuracy of informal information amongst co-workers. 6) Communication Climate measured the attitude towards communication on both the organizational and personal levels. It assessed whether the information flow improved the performance of the workers and whether it built employees' identification with the organization. 7) Media Quality referred to the clarity, accuracy and quantity of information flow in the form of publications, memos and meetings etc. 8) Communication with the subordinate is relevant to workers in supervisory roles only. It measures the responsiveness and receptivity of subordinates to downward flowing communication.

In a study by Downs et al. (1995), the relationship between the above mentioned communication satisfaction factors and commitment in nine organizations across three nations (USA, Australia and Guatemala) was researched. This study was able to point out some similarities as well differences in communication satisfaction criteria and its relationship with commitment. They deduced that the two are significantly related and reported satisfaction with communication climate had the highest correlations with commitment across all the countries studied. They also found the correlations to be significantly higher for American and lower for Guatemalan organizations, signaling to communication and commitment being influenced by national cultural influences. Relationship with supervisor was also a good predictor of commitment

across countries. In a study by Nakra (2006), the relationship between communication satisfaction, based on the Downs and Hazen Commitment Satisfaction Questionnaire (1977), and employees' identification was studied. This study was conducted on the private and public sector employees in India. Although all the dimensions showed a significant relationship with identification, the communication climate and satisfaction with feedback were found to be strongly related with identification amongst the eight dimensions of communication. They argued that feedback is critical as an open climate where the employees' opinions can be aired and taken seriously create feelings of self worth and association with the company as the employees feel a part of the in-group. In another study by Malhotra et al(2007), feedback was found to be the one of the strongest predictor of affective and normative commitment.

Similarly Huff et al(1989) claimed that organizational commitment can be enhanced by a higher frequency of communication between individuals in an organization, as it led to them feeling as active participants with a sense of greater control in their organizations (Downs et al., 1995).

As the nature of work, especially in the service sector is more complex and needs greater co-ordination amongst employees, organizational communication has become increasingly important to overall organizational functioning. Managers should pay serious heed to internal organizational communication in order to enhance employee trust and commitment. So, providing for plenty of opportunities for two-way communication for employees is crucial where employees are provided with adequate information and opportunities to speak out and be listened to.

## **2.7 ORGANIZATIONAL COMMITMENT AND DEMOGRAPHIC FACTORS**

This study is also going to be studying the impact of several demographic variables (i.e age, gender, marital status, education, work experience and managerial level) on organizational commitment. Multiple studies have come up with findings that establish the relationship between the two sets of variables mentioned above. A study by Salami (2008) investigated the relationship of demographic factors with organizational commitment of industrial workers in Nigeria. The findings of his study indicated age, marital status, job tenure and education level to have a significant relationship with organizational commitment.

The relationship between *age and organizational commitment* has been studied with contradicting results across studies. Meyer and Allens (1998) found age to be positively correlated with affective and normative commitment, however, no relationship was established with continuance commitment. Irving et al (1997) suggested that job experiences in the early years in one's career played an important role in developing higher commitment levels. The findings of another study by Pathardikar and Sahu (2011) showed strong correlations of age and tenure with the variables of commitment. Moreover significant negative correlation of age and salary was witnessed with continuance commitment, indicating that with increase in age and salary, the inclination of employees towards continuance commitment reduces. In a Meta-analysis carried out by Mathieu & Zajac (1990) a significantly higher relationship of age to attitudinal commitment than to calculative commitment was reported. This result was contradicting earlier claims that age should have a stronger relationship with continuance commitment because of higher sunk costs

involved. However they suggested that older workers attitudinal commitment may increase because of various reasons including higher satisfaction with their jobs, receiving better positions etc. It is generally accepted that older workers holding better positions at the organization are highly satisfied and committed to their jobs. Workers of different age groups may view their work and self fulfillment differently. The younger employees may not be ready to commit themselves for a long run in an organization.

The relationship between *work tenure and organizational commitment* is also going to be investigated in this study. Studies generally postulate that as the work experience increases, the level of commitment of employees in an organization also increases. A meta-analysis on commitment and its antecedents by Mathieu and Zajac, (1990) revealed that organizational tenure had a stronger relationship with commitment than relationship of position tenure. Moreover continuance commitment had a stronger influence on organizational tenure whereas position tenure had a positive significant relation with affective commitment. Another study by Ahmad and Bakar, (2003) which was conducted on white collared workers in Malaysia, claimed that the amount of time spent working for an organization does not impact employees' desire and obligation to stay with that organization, They attributed these findings to the uncertain business environment. In a study on the occupational commitment of nurses by Nogueras, (2006) as a years of experience increased, nurses' levels of commitment to the profession increased significantly as well, thus supporting earlier findings of Ahmad and Bakar(2003) and Mathieu and Zajac, (1990). In another latest study by Tang et al., (2012) it was shown that career tenure was positively related to continuance form of

commitment. This was found to be true for both the genders as well as across the younger and older age groups.

*Education and organizational commitment* have shown significant relationship in various studies. It is generally perceived that less educated employees may perceive high costs attached with leaving the organization as opposed to highly educated personnel. According to Mowday et al., (1982) educated individuals have higher expectations from the organization which the organization may be unable to meet. A strong negative continuance commitment relationship with education was found in a study by Ahmad and Bakar (2003). There have however been contradicting findings. For instance Moon (2000) found no significant relationship between education and commitment. Another set of studies found negative correlation of education with commitment and significantly stronger relationship of affective as compared to continuance commitment with education, (Mathieu & Zajac, 1990).

Literature has reported inconsistent findings about the relationship between *gender and organizational commitment*. No significant association was found between gender and organizational commitment by Salami (2008). Similarly in a study of registered nurses intent to leave the profession by Nogueras (1996), gender demonstrated no correlation with organizational commitment. This was in line with Ahmad and Bakar's (2003) findings also. On the other hand, it was found by Irving, et al (1997) that the men had higher levels of commitment as compared to women in their sample. A meta-analysis done by Mathieu and Zajac, (1990) indicated that women are more committed to their work than men, although the difference was small.

Similarly it is also going to be assumed for the present study that *marital status* will have a relationship with commitment as evidenced by various studies (Steers, 1977; Mathieu & Zajac , 1990; Allen & Meyer, 1990). An Australian study by Joiner and Bakalis (2006) has reported opposite findings for casual academics working in educational institutes. It explored the relationship between several demographic factors with affective and continuance forms of commitment. Their finding was that marital status was significantly associated with lower continuance commitment. Probable reasons given by them were lower level of pay in that profession, thus leaving the job may be an economic necessity.

Generally speaking, married employees are expected to have a higher level of commitment as they have higher stakes with more familial and financial responsibilities.

*Level of management* is another characteristic which is going to be studied in relation to the levels of commitment and its forms. Literature reveals that generally, as the management level increases, employees' commitment to stay also is likely to increase. In a study by Driscoll and Randall (1999) higher level managers exhibited higher affective commitment levels and lower continuance commitment levels as compared to their lower level counterparts.

Table 2 gives a summary of findings reported by researchers about organizational commitment in Pakistani settings.



**Table 2. Findings of Research on Commitment in Pakistan**

	<b>Independent Variable</b>	<b>Sample size</b>	<b>Sector</b>	<b>Results</b>	<b>Author</b>
Organizational commitment(Allen and Meyer's model)	Perceived Organizational Support(POS)	249	Health NGO	+ve relationship between all three types of commitment with POS	Salim et. al, (2012)
Organizational commitment (OCQ model)	Transformational leadership	133	Banking sector	+ve correlation between transformational leadership and commitment	Bushra et.al, (2011)
Organizational commitment(Allen and Meyer's model)	Job satisfaction, role clarity, participation, and climate.	147	Banking sector	+ve correlation with satisfaction, role clarity and participation.	Bhatti & Nawab (2011)
Organizational commitment ( OCQ model)	Demographic factors, Organizational ranks	353	Knitwear Industry	+ve correlation with Length of service, -ve correlation with Education ,No correlation with age. Difference b/w managers and workers.	Adnan Iqbal (2010)
Organizational commitment (OCQ model)	Demographic factors, job satisfaction and organizational justice	125	University teachers	Personal characteristics, factors of job satisfaction, and distributive and procedural justice had a significant correlation	Chughtai and Zafar (2006)
Organizational commitment (self developed model )	Work motivation, job satisfaction	191	Private sector	Work motivation and overall job satisfaction Positively, related	Warsi et al. (2009)

## **CHAPTER 3 RESEARCH METHODOLOGY**

### **3.1 RESEARCH METHODOLOGY**

This section includes details on the research methodology adopted for this study and the data collection procedure to empirically test the hypotheses developed earlier. It is critical to select an appropriate research methodology to ensure achievement of research objectives as well as accuracy and reliability of results.

#### ***3.1.1 Unit of Analysis***

The unit of analysis in this study is the bank employees in the city of Lahore, Pakistan. Banking sector of Pakistan is one of the most crucial and developed sectors in the country and employs thousands of workers. The bank employees are involved in a range of services at different managerial levels. Taking into account the critical role the employees play in their respective organizations in this case, banks, they are anticipated to show high levels of commitment.

#### ***3.1.2 Justification for the Quantitative Approach:***

Different studies adopted dimensional, typological, quantitative and qualitative approaches, as well as combinations to study Commitment and Culture. There are two main approaches adopted for the measurement of these concepts; qualitative and the quantitative. Researchers prefer the quantitative techniques as quantitative research can be administered and evaluated relatively quickly. Moreover; larger sample sizes can be easier to cover using these techniques as well. Similarly, quantitative techniques can be very useful in cases where the organizational policies of the companies, time costs or lack of human resources hinder more intensive and detailed study methods. Literature also provides a strong support of

the empirical quantitative method as the most productive research approach in the studies

Survey design is deemed as being the most appropriate research design to measure the respondents' perceptions for this study. It enables the surveyor to collect information from a large population (Mathebula, 2004). Surveys can either be descriptive or relational in nature. Descriptive surveys are used to produce a "snapshot of current state of affairs" (Mathebula, 2004). On the other hand relational surveys help in empirically examining relationships between two or more variables. This study is relational in nature which seeks to examine the relationship between the constructs of commitment, cultural and also relationship of commitment to demographic factors.

### ***3.1.3 Instrumentation:***

The questionnaire for this study was personally administered to the bank employees from different branches across Lahore. All scales in the research were adopted from the existing literature. The questionnaire for this study has been developed by combining two separate instruments. A section about demographic questions was added to gather personal and organizational information from the respondent. The questionnaires used in this research study consist of three sections:

1. The employee's organizational commitment section.
2. The organizational culture section.
3. The socio-demographic information section;

## **3.2 VARIABLE MEASUREMENT:**

### ***3.2.1 The level of organizational commitment:***

This study applied Allen and Meyer's (1990) 24-item scale to measure the dependant variable, organizational commitment. This instrument has been widely and reliably used in past researches carried out across the globe. Allen and Meyer tested the scales and reported the reliability of the affective commitment scale (ACS) as 0.87, continuance commitment scale as 0.75 and normative commitment scale as (NCS) as 0.79. This instrument's reliability as a measure of commitment has been confirmed in earlier studies. The scale consists of three components namely affective, continuance and normative commitment. The scale applies likert scale. "Likert scales ask participants to indicate their level of agreement or disagreement with a series of predefined statements", (Jung et.al, 2009), with 1=Strongly Disagree forming the one end of the continuum and 7=Strongly Agree the other end. The average score of the 24 items gave the total commitment score for each individual.

### ***3.2.2 Affective commitment:***

The Affective commitment scale is a 8-item scale which measures the employees' psychological attachment to organization. Representative items for this component include 'I would be happy to spend the rest of my career in this organization' and 'The organization has a great deal of personal meaning for me.' The respondents of this study scored a mean of 4.55 for the scale of Affective commitment , with a standard deviation of 0.987. This score represents affective commitment for the respondents to be slightly above the mean of 4.

### ***3.2.3 Continuance commitment:***

This portion comprised of 8 items and measured the employees costs associated with leaving the organization. Representative items for this component include ‘Too much in my life would be disrupted if I decided I wanted to leave my organization now’ and ‘It wouldn't be too costly for me to leave my organization now.’ The respondents of this study scored a mean of 4.28 for the scale of Continuance commitment , with a standard deviation of 0.818. This score represents Continuance commitment for the respondents to be slightly above the mean of 4.

### ***3.2.4 Normative commitment:***

The third component of commitment is also a 8-item scale and measures the perceived obligation of the employee to remain with the organization. Representative items for this component include “I do not believe that a person must always be loyal to his or her organization” and “Jumping from organization to organization does not seem at all unethical to me” The respondents of this study scored a mean of 4.37 for the scale of normative form of commitment , with a standard deviation of 0.882. This score represents normative commitment for the respondents to be slightly above the mean of 4.

### ***3.2.5 Organizational culture:***

The questionnaire used in this study to measure organizational culture comprises of the four cultural dimensions which were identified and developed in a study by Lau and Idris (2001). It has been adapted by various studies (e.g Zain et. al ,2009; Boon and Arumugam, 2006). Each of the four cultural dimensions were measured using a seven point likert scale ranging from 1 being strongly disagree to 7 being strongly agree.

The four dimensions namely training, teamwork, rewards and communication, consist of 17 items.

### **3.2.6 Training:**

This part of the questionnaire measured the respondents' perceptions towards training facilities available for the employees. This is a 4 item scale. Sample items include "Resources are available for employees' education and training within the company." The respondents of this study scored a mean of 4.89 for the scale of training, with a standard deviation of 1.37. This score represents perceptions of training for the respondents to be slightly above the mean of 4.

### **3.2.7 Teamwork:**

The teamwork statements represent possible feelings that an individual might have about the opportunities provided for teamwork at his/her work place. Sample items include "I am more comfortable working in a team rather than individually". This is a 4 items scale. The respondents of this study scored a mean of 4.71 for the scale of teamwork, with a standard deviation of 1.15. This score represents perceptions of teamwork for the respondents to be slightly above the mean of 4.

### **3.2.8 Rewards:**

Respondents ranked the organizational rewards in this part. Sample items include "employees' rewards and penalties are clearly communicated." This is a 5 item scale. The respondents of this study scored a mean of 4.52 for the scale of rewards, with a standard deviation of 1.36. This score represents perceptions of rewards for the respondents to be slightly above the mean of 4.

### **3.2.9 Communication**

Communication as a component of organizational culture was measured using 4 items as well and sample items include “The company employees’ communication is effective in communicating things that are relevant to them.”: The respondents of this study scored a mean of 4.70 for the scale of communication , with a standard deviation of 1.34. This score represents perceptions of communication for the respondents to be slightly above the mean of 4.

### **3.2.10 Socio-demographic variables:**

The socio-demographic factors being considered for this study include age, marital status, gender, years of education, years of experience on the job, total work experience, level of management and department. The Table 1. can be referred to for the constitutive and operational definitions of the variables of interest.

## **3.3 DEPENDENT AND INDEPENDENT VARIABLES**

The dependant and independent variables that were studied for this research are listed below in table 3. The three types of organizational commitment (affective, continuance and normative) were used as the dependant variables. Four cultural dimensions of organizational culture (reward, teamwork, communication and training) were the independent variables. Socio-demographic factors were age, gender etc. These were considered as the independent variables used as control variables.

**Table 3. List of Dependant, Independent Variables and the scales used.**

<b>Dependant variables (Criterion)</b>		
<i>Instrument</i>	<i>Variables</i>	<i>Scales</i>
Organizational commitment questionnaire (OCQ)	Organizational Commitment	Affective Commitment Continuance Commitment Normative Commitment
<b>Independent Variables (Predictor)</b>		
<i>Instrument</i>	<i>Variables</i>	<i>Scales</i>
Organizational Cultural Instrument	Organizational Culture	Training Teamwork Rewards Communication
<b>Control Variables</b>		
Socio-demographic information Instrument	Socio-demographic variables	Age Gender Marital Status Education Managerial Level Tenure



### **3.4 POPULATION AND SAMPLE:**

The population for this study was commercial banks' employees in Lahore, city of Pakistan. A convenience sample was obtained, as done by several earlier studies (Su, et al.,2009). Previous studies on organizational commitment have used a sample size ranging from 150 to 400, (Allen &Brady,1997 ; Su.et al,2009). For this study a sample size of 250 bank employees was selected. A study by Mathebula (2004) confirms that at least 10 degree of freedom is generally required in a multiple regression analysis per variable to achieve adequate statistical power.

Given the time and cost constraints, it was not possible to survey all bank employees across Pakistan. Our sampling frame included employees within banks who have permanent employee status. The participants were permanent staff members from lower, middle and upper management levels in the banks. Unskilled employees like tea boys, cleaners, guards and drivers were excluded. Employees included in the sampling frame belonged to different bank departments like operations, credits, consumer banking etc.

The study also excluded the top executive level management as they fall within the policy formulation level in the organizational hierarchy. Moreover, they are entitled to completely different remuneration, benefit packages and distinct conditions of service as compared to the rest of the employees. Moreover, for most commercial bank top executives are based in Karachi as that is the financial hub of Pakistan and majority of bank headquarters are based in Karachi.

### **3.5 DATA COLLECTION PROCEDURE**

The Organizational commitment instrument and the Organizational Culture instrument, along with the demographic form were attached and presented together in the form of a single questionnaire. A cover letter was also attached stating that participation in the study was entirely voluntary and the information provided will remain confidential. Ethical integrity was maintained and the study was conducted with the informed consent and concern for the respondents' anonymity. The necessary permissions from the respective branch managers were obtained. The cover letter also listed general instructions and explanation of the purpose of the study. An envelope was also given along with the questionnaire for the respondents to seal their forms in it to ensure confidentiality. The respondent's participation was entirely voluntary. This research sought the consent of the branch managers to conduct the research with the employees working in their respective branches. The acquiescence of participants' i. e the employees of the selected banks to participate in the study was also sought. A total of 250 questionnaires were distributed to the participants in branches from selected commercial banks in Lahore. Convenience method sampling was adopted and 250 questionnaires were distributed in 21 different banks selected randomly which are operational in Lahore. A total of 200 usable questionnaires were returned, providing a return rate of 80 percent. One reason for the high response rate was that the questionnaires were disseminated and collected personally at their respective branches. The sample consisted of 200 respondents, out of which 149 were males and 51 were females.

### **3.6 PROCEDURES FOR ANALYSIS OF DATA**

The Statistical Package for the Social Sciences (SPSS) was used to carry out the required analyses. The returned questionnaires were coded and entered into the SPSS software. The questionnaires with the missing data were excluded from data entry as missing data can cause statistical errors as well as affect the accuracy of estimating parameters, (Mathebula,2004). Factor analyses was not done as Commitment and culture items have been quoted by a substantial number of studies in the past and have been found to be reliable. Thus the integrity of the original instruments about commitment and culture was maintained. However, the reliability test (Cronbach alphas) for both the instruments was done.

Initially descriptive statistics of the characteristics of the sample were computed which included the measures of central tendencies (mean, median, and mode) and measures of variability (standard deviation, variance and range). This assisted in describing the demographic variables, Organizational Commitment and Organization Cultural subscales. Secondly correlation analysis was done to find the relationship amongst the studied variables. Thirdly to investigate the amount of variance of commitment explained by organizational cultural and demographic factors multiple regression analysis were carried out. The p-values<0.05 were used to test the null hypotheses. Overall Commitment and its three components were regressed against the set of socio-demographic characteristics variables. In the subsequent stage of analysis organizational commitment and its three components were regressed

against the four cultural dimensions variables. The hierarchical regressions were performed whereby first a set of four independent variables pertaining to culture were entered and later on another set of variables consisting of socio demographics were entered in the model. This was done for two motives. Firstly to know which set of the cultural and the demographic variables had the strongest relationship with overall Commitment and its three subscales. The purpose was also to see whether the overall impact of cultural factors was higher than the demographic factors on organizational commitment.

To rule out the possibility of multi-co linearity among the independent variables the variance inflation factor (VIF) was calculated in the regression analyses.

Further data analyses were conducted to determine if there were any statistically significant differences in the mean scores for commitment and its three forms when respondents were grouped on the basis of demographics. Thus all the socio-demographic variables measured on the continuous scale were further divided into categories to see the difference in levels of commitment across groups. For those independent variables (socio-demographic variables) which had more than two categories ANOVA tests were carried out for the purpose of mean comparisons the forms of commitment scores as dependent variables and the categorized variables as the independent variables. The independent sample t-test was conducted for gender to see the gender differences with organizational commitment.

## **CHAPTER 4 RESEARCH FINDINGS**

The purpose of this chapter is to present the results of the study. The first section presents the demographic data, explaining the socio-demographic characteristics of the sampled respondents. The second section deals with the testing of the hypotheses developed. The Statistical Package for the Social Sciences (SPSS) was utilized by this study to execute the desired computations and analyses of the collected data.

Various statistical techniques such as arithmetic mean, standard deviation, correlation analysis, simple, multiple and stepwise regression analysis were employed to examine the data. One way analysis of variance (ANOVA) and t-test was also used to test some null hypotheses.

### **4.1 THE SAMPLE**

For this study, convenience sampling provided data from full time banking employees working in 21 banks across Lahore. Banking employees were selected as the target population for this study as there is a paucity of research in this area. All of the banks present in Pakistan are operational in Lahore and since it is the second largest city of Pakistan, this study's results can be generalized to other regions of the country as well. A total number of 250 questionnaires were disseminated out of which a total of 200 questionnaires were returned which were usable, providing a return rate of 80 percent. One reason for the high response rate was that the the questionnaires were disseminated and collected personally at their respective branches. Therefore, the sample consisted of 200 respondents, out of which 149 were males and 51 were females.

## 4.2 RESPONDENTS' SOCIO-DEMOGRAPHIC CHARACTERISTICS

The socio-demographic characteristics of the respondents were reported in order to get a clearer understanding of the nature of the sample. The variables that were measured in this context are as follows:

- Age
- Gender
- Marital status
- Number of years of experience in the current bank
- Total years of experience
- Level of education
- Level of Management

### 4.2.1 Age

The respondents were asked to state their age in number of years, which was later categorized into age groups for data handling convenience. The age of participants ranged from 22 years to 57 years. The mean age of the sample was 32.1 years with a standard deviation of 7.27.

**Table 4. Descriptive Statistics for Age**

	N	Min	Max	Mean	Std. Dev
Age	200	22	57	32.10	7.265

The sample was later classified into 4 groups based on their ages as indicated in table 5. The age group of 26 to 35 years had the highest representation with their proportion being 60.5%, followed by the 3<sup>rd</sup> age group with respondents' ages lying between 36 to 45 years representing 18% of the sample. A small fraction of the sample (5.5%) was above the age of 46, as shown in Table5.

**Table 5. Age groups of respondents**

Age-groups of respondents	Frequency	Percent	Cumulative Percent
Under 25 years	32	16.0	16.0
26 to 35 years	121	60.5	76.5
36 to 45 years	36	18.0	94.5
46 and above	11	5.5	100.0
Total	200	100.0	

**4.2.2 Gender**

The respondents were also asked to report their gender in the questionnaire. In the study, gender was coded with male = 0 and female = 1. The gender distribution is shown in the table 6. The majority of the respondents were males (74.5%), while the female representation was 25.5%.

**Table 6. Gender of the respondents**

Gender	Frequency	Percent	Cumulative Percent
Male	149	74.5	74.5
Female	51	25.5	100.0
Total	200	100.0	

**4.2.3 Marital Status:**

Marital status of the sample was also recorded and the data showed 58% of the respondents to be married while 42% were unmarried.

**Table 7. Marital status of respondents**

Marital Status	Frequency	Percent	Cumulative Percent
Unmarried	84	42.0	42.0
Married	116	58.0	100.0
Total	200	100.0	

#### 4.2.4 Years of Education:

Respondents reported their level of education by stating the number of years of formal education. The distribution of the years of education is shown the table 8. The largest single group of respondents have 16 years

**Table 8. Years of Education of Respondents**

No. of years of education	Frequency	Percent	Cumulative Percent
10	6	3.0	3.0
12	22	11.0	14.0
14	41	20.5	34.5
16	103	51.5	86.0
18	28	14.0	100.0
Total	200	100.0	

of education (51.5%). Similarly 20% of the respondents had 14 years of education, 14% of the respondents had 18 years of education and 11% had 12 years of education while only 3% had 10 years of education. This is befitting the sample as banks usually require a graduate qualification for lower level management and a postgraduate qualification for a middle or high managerial position.

#### 4.2.5 Work experience with the current bank

Respondents also reported the number of years they have been working for their current organization. The values ranged from 1 to 34 years for the sample, with a mean of 5.26 years.

**Table 9. Descriptive Statistics for Current Work Exp.**

Variable	N	Min	Max	Mean	S.Dev
Work experience with the current bank	200	1	34	5.26	5.84



The years were then categorized into 4 groups with an interval of 5 years for convenience of reporting the data. The distribution of the respondents total work experience with the current bank is given in the Table 10. Respondents who had been working for the current bank for less than 5 years comprised 72.5% of the total sample. Those who were with their current bank between 6 to 10 years made up 17%, while those who had been working for 16 years or higher made up 7% of the sample surveyed .

**Table 10. Current work experience groups of Respondents**

Current Work Experience	Frequency	Percent	Cumulative Percent
under 5 years	145	72.5	72.5
6 to 10 years	34	17.0	89.5
11 years or above	21	10.5	100.0
Total	200	100.0	

#### **4.2.6 Level of Management**

**Table 11. Level of Management**

Level of management	Frequency	Percent	Cumulative Percent
Upper management	25	12.5	12.5
Mid management	97	48.5	61.0
Lower management	78	39.0	100.0
Total	200	100.0	

Respondents also indicated their self perceived level of management within the bank. The majority of the respondents (48.5%) reported themselves to be a part of the middle management, 12.5% were in the upper management while the remaining 39% were in the lower managerial category.

### **4.3 INTERNAL CONSISTENCY AND DESCRIPTIVE STATISTICS FOR ORGANIZATIONAL COMMITMENT AND CULTURAL SCALES**

The Cronbach alphas were computed and reported in Table 12. They were higher than the .50 threshold value which is widely considered to be acceptable for scale reliability for an exploratory research such as a survey (Nunnally, J. C., 1978). The alphas of the Organizational Commitment scale ranged from 0.60 to 0.73 for the current study's sample. The alphas of the Cultural scales revealed relatively higher scores ranging from 0.70 to 0.87. Thus it can be stated that the reliability of the survey items are acceptable.

Descriptive statistics of respondents answers to Organizational Commitment and Culture scales were also computed in order to determine their perceptions of the constructs. The summary statistics for the independent and dependent variables of this study are shown in Table 13. The desired pattern in Commitment scores for the management was to have employees show highest scores for affective commitment, followed by normative commitment. Continuance Commitment would be least preferred. The mean scores of overall commitment (4.40) and its facets affective commitment (4.55), normative commitment (4.28) and continuance commitment (4.37) showed moderate levels. Clustering of commitment scores around 4 is not what was expected.

**Table 12. Internal consistency assessment of scales used in the study.**

Scale	Cronbach Alpha Co-efficient	No. of items
Affective Commitment	0.73	8
Continuance Commitment	0.72	8
Normative Commitment	0.60	8
Rewards	0.87	5
Teamwork	0.70	4
Communication	0.86	4
Training	0.82	4

Therefore it can be deduced that bankers perceptions of organizational commitment are positive, implying their wish to stay with the organizations they are working for; and it is slightly higher than the scale mean of 3.5. It is to be observed that affective commitment levels were relatively higher than the other two types of commitment. However the variation in affective commitment levels was also noted to be the highest (0.987). This pattern depicts that some employees did not exhibit the ideal levels of affective commitment.

As shown in Table 13, the level of cultural dimensions has slightly higher scores as compared to Commitment scores. Overall, the Organizational Culture had a mean score of 4.70, meaning that the respondents perceive organizational cultural practices being moderately implemented in their respective organizations. Amongst the four cultural dimensions, training

had the highest mean score, while rewards had the lowest score for respondents.

**Table 13. Descriptive Statistics of Banking Employees Perceptions of Organizational Commitment forms and Organizational Culture Dimensions:**

Variable	N	Min	Max	Mean	S. Dev
Organizational Commitment	200	2.67	6.25	4.40	.634
Affective Commitment	200	2.00	6.88	4.55	.987
Continuance Commitment	200	1.50	6.50	4.28	.818
Normative Commitment	200	2.25	6.50	4.37	.882
Organizational culture	200	1.70	7.00	4.70	1.11
Rewards	200	1.00	7.00	4.52	1.36
Teamwork	200	1.00	7.00	4.71	1.15
Communication	200	1.75	7.00	4.70	1.34
Training	200	1.50	7.00	4.89	1.37

#### **4.4 ORGANIZATIONAL COMMITMENT AND DEMOGRAPHICS**

**Research Question 1:** *What is the relationship between demographic variables and types of organizational commitment of the bank employees?*

In order to study the relationship between the dependant variable i.e Organizational commitment and the demographic variables, further analysis was done. For continuous variables i.e age, current work experience and years of education correlation analysis was carried out. ANOVA test was also carried out to see if there was any significant difference in the means of Commitment scores based on demographic variables (age groups, education groups, current work experience and management level groups). For Gender and marital status, independent sample t-tests were done. The results are discussed below:

A correlation analyses is useful in depicting the relationship amongst variables. The correlation coefficient's (r) value ranges from 0 to 1. A

value of 0 indicates no association between any two variables whereas 1 shows perfect association.

Our correlation analysis as shown in Table 14, between types of commitments and demographic factors revealed a few significant relationships. As expected, affective commitment had a significantly positive correlation with normative commitment ( $r = .465, p < .01$ ) and did not have a significant correlation with Continuance Commitment. Continuance commitment did show a significantly positive correlation with normative commitment ( $r = .144, p < .05$ ). Age was shown to have a significant positive correlation with overall organizational commitment ( $r = .164, p < .05$ ). However, if we look at the three forms of commitments' relationships with age, the only significant relationship is between age and affective commitment ( $r = .162, p < .05$ ). This result is consistent with earlier studies (Allen and Meyer, 1993) where age was shown to have a moderately positive correlation with affective commitment.

**Table 14. Correlation analysis between Organizational commitment, its forms and Demographic variables**

Variable	1	2	3	4	5	6	7
Age	1						
Current work experience	.735**	1					
Yrs.of Education	.096	-.080	1				
Organizational Commitment	.164*	.198**	-.007	1			
Continuance Commitment	.131	.126	-.042	.550**	1		
Normative Commitment	.053	.089	.044	.770**	.144*	1	
Affective Commitment	.162*	.197**	-.018	.780**	.103	.465**	1

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

Current work experience for our data showed positive correlation ( $r = .198, p < .01$ ) with organizational commitment and affective commitment ( $r = .197, p < .01$ ). Continuance and Normative commitment were not found

to be related to current work experience with the bank. Years of education was not found to be significantly correlated with any forms of commitment.

A comparison of the difference in means for the two genders' on organizational commitment was done. Independent sample t-test was carried out. From our results in Table 15, gender difference was not found for any type of commitment. All the t-values are insignificant, as illustrated in the table 15. All the mean values of different types of commitment are almost identical for males and females. However, affective commitment scores were noticed to be slightly higher for both genders as compared the other forms of commitment. From the t-test analysis, we can deduce that there was no significant difference between males and females with respect to the three forms of organizational commitment. The means of organizational commitment and its types are nearly identical for female and male banking employees and no significant difference was found in the mean level of commitment gender wise for the mean level of commitment in the bank employees. This result is consistent with the earlier research findings.

**Table 15. A Comparison of the Means for Males and Females' Forms of Organizational Commitment**

Variable	Gender	N	Mean	S.Dev	t	p
Organizational Commitment	Males	149	4.42	.650	.635	.400
	Females	51	4.36	.585		
Affective Commitment	Males	149	4.56	.995	.315	.638
	Females	51	4.52	.970		
Continuance Commitment	Males	149	4.32	.816	1.03	.425
	Females	51	4.18	.822		
Normative Commitment	Males	149	4.38	.899	.005	.683
	Females	51	4.38	.836		

Table 16 shows the mean scores of Organizational commitment and its three types for respondents, on the basis of their marital status. As we can see, almost all forms of commitments showed similar scores across the two categories of marital status. Continuance commitment scores were slightly higher for married employees (4.32) as compared to unmarried respondents (4.23). However, the t-values for all types of commitments were insignificant. Therefore no relationship was found between marital status and Organizational commitment or its types. The above stated results for relationship between types of commitment and gender or marital status do not provide evidence to support hypothesis 1.

**Table 16. A Comparison of the Means for Married and Unmarried Respondents' Forms of Organizational Commitment**

Variable	marital status	N	Mean	S. Dev	t	p
Organizational Commitment	unmarried	84	4.3888	.58503	-.290	.772
	married	116	4.4152	.66906		
Affective Commitment	unmarried	84	4.5610	.91187	.111	.912
	married	116	4.5453	1.04106		
Continuance Commitment	unmarried	84	4.2290	.84384	-.768	.444
	married	116	4.3190	.79968		
Normative Commitment	unmarried	84	4.3765	.89078	-.039	.969
	married	116	4.3815	.87939		

The interaction of level of management and organizational commitment and its forms was also studied with the help of ANOVA test. The results are shown in Table 17. Respondents were divided into three managerial categories i.e higher, middle and lower management. The mean differences in overall Organizational and Affective commitment across three management groups were insignificant. Therefore we can state that the level of Organizational commitment and affective commitment does not vary amongst the different levels of management. However, the

results displayed a significant difference in the level of continuance commitment ( $F=3.56$ ,  $p<.05$ ) and levels of Normative Commitment ( $F=2.57$ ,  $p<.10$ ) between the management groups. As we can see the mean scores of continuance commitment were relatively higher for the middle management group as compared to the other two categories. Similarly, the mean scores for normative commitment also varied for the management groups and were highest for the upper management.

For the demographic variables with more than two categories, Scheffé Post hoc test was conducted. This would assist in determining the category that varied significantly from others on the dependant variables. The post hoc tests confirmed that middle management has a significantly higher level of continuance commitment as compared to the other levels of management.

**Table 17. Results of ANOVA test comparing the Means of Types of Commitment based on the Level of management**

	Higher Management N=25	Middle management N=97	Lower Management N=78	F-value	<i>p</i>
Organizational Commitment	4.55	4.39	4.37	.733	.482
Affective Commitment	4.85	4.49	4.52	1.368	.257
Continuance Commitment	4.13	4.44	4.13	3.561	.030
Normative Commitment	4.65	4.25	4.46	2.572	.079

Similarly, for normative commitment, the Scheffé tests provided evidence that employees in the upper management display a significantly higher



level of normative commitment as compared to the other two groups. The above findings thus partially support hypothesis 1 c & d.

The respondents were also divided into four categories based on their age groups to further analyze the difference in their commitment mean scores. The results of ANOVA test for organizational commitment and its forms, based on age groups are listed in table 18. The findings in table 18 indicate a slight variation in the mean scores for commitment and its forms across the four age groups. The ANOVA results for differences between the age groups show statistically significant difference for one of the variables i.e. overall organizational commitment ( $F=2.30, p<.10$ ).

**Table 18. Results of ANOVA test comparing the Means of Types of Commitment based on Age groups**

Variable	Under 25 yrs N=32	26-35yrs N=121	36-45yrs N=36	46 yrs & above N=11	F-value	Sig
Organizational Commitment	4.43	4.33	4.51	4.78	2.30	.061
Affective Commitment	4.50	4.48	4.66	5.18	1.91	.129
Continuance Commitment	4.28	4.21	4.43	4.53	1.092	.354
Normative Commitment	4.51	4.30	4.44	4.65	.928	.428

The three forms of commitment did not show any significant relationship with any of the age groups. The post hoc Scheffé test was also conducted to identify the group with a different level of commitment. It revealed that the age group of 26-35 years had a significantly lower level of organizational commitment than those in any other age brackets, thus

confirming earlier studies results that relatively younger employees would be less committed than older employees. The level of organizational commitment in the other three age groups had no statistically significant difference. These results therefore are partially supporting hypothesis 1a and 1b.

Respondents were divided into three groups based on the length of their work experience with the current bank. The association between Current Work Experience and the various types of commitments was then examined with the help of ANOVA tests. The results are given in table 19. The ANOVA test indicated that the means of organizational commitment and affective commitment were significantly different ( $F=5.04, p<.05$  and  $F=4.25, p<.05$ ) amongst the 3 groups.

**Table 19. Results of ANOVA test comparing the means of types of Commitment based on Current work experience:**

	Under 5 yrs N=145	6-10yrs N=34	11 and above N=21	F-value	<i>p</i>
Organizational Commitment	4.33	4.53	4.75	5.04	.007
Affective Commitment	4.44	4.76	5.02	4.25	.016
Continuance Commitment	4.22	4.31	4.63	2.25	.108
Normative Commitment	4.31	4.51	4.60	1.42	.240

The post hoc Scheffé tests revealed that employees with work experience of 11 years or above with the current bank had a significantly higher overall organizational commitment. The post hoc tests for Affective commitment revealed that workers with less than 5 years work experience with the current bank had a significantly lower level of affective

commitment, whereas the group with 11 years or more work experience had a significantly higher level of affective commitment.

ANOVA test was also conducted for organizational commitment and its forms for years of education for respondents. Respondents of the study were divided into five educational groups based on the number of years of education. Results are reported in table 20. Generally speaking, respondents with ten years of education had relatively lower commitment scores as compared to the other categories. However, no significant difference was found in the levels of commitment or its three subscales amongst the four education groups formed. All the results were insignificant, thus no relationship was found between education and commitment.

**Table 20. Results of ANOVA test comparing the Means of Types of Commitment based on years of Education:**

	10 yrs N=6	12 yrs N=22	14 yrs N=41	16 yrs N=103	18 yrs N=28	F- value	P
Organizational Commitment	4.22	4.50	4.43	4.36	4.45	.401	.807
Affective Commitment	4.16	4.69	4.64	4.51	4.53	.460	.765
Continuance Commitment	4.38	4.33	4.36	4.23	4.30	.244	.913
Normative Commitment	4.13	4.48	4.30	4.36	4.52	.479	.751

#### **4.5 RELATIONSHIP BETWEEN ORGANIZATIONAL COMMITMENT AND ORGANIZATIONAL CULTURE**

*Research Question 2: What is the relationship between organizational culture and its four dimensions with types of organizational commitment?*

Correlations were calculated to show the relationship between organizational commitment, its subscales and organizational culture. The results are presented in table 21. The results reveal that Cultural factors have a meaningful conceptual relationship with organizational commitment and its forms.

The results in Table 21 display that Organizational Culture is positively correlated with overall organizational, affective, continuance and normative commitment. As seen from the table, the Organizational Culture in particular, shows 54% correlation with organizational commitment.

**Table 21. Correlation Coefficient Matrix for Organizational Commitment and Organizational Culture with its dimensions.**

	1	2	3	4	5	6	7	8	9
1. Organizational Commitment	1								
2. Affective Commitment	.780**	1							
3. Continuance Commitment	.554**	.105	1						
4. Normative Commitment	.770**	.465**	.150*	1					
5. Organizational Culture	.537**	.473**	.201**	.441**	1				
6. Teamwork	.472**	.368**	.219**	.402**	.815**	1			
7. Communication	.463**	.417**	.177*	.368**	.870**	.685**	1		
8. Rewards	.459**	.432**	.171*	.349**	.866**	.564**	.682**	1	
9. Training	.429**	.382**	.124	.382**	.837**	.562**	.581**	.667**	1

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

The test of significance shows that the results were significant at the values  $p < 0.01$  and  $p < 0.05$  level respectively. There is a strong positive relationship between Organizational Culture with affective ( $r = .473$ ,  $p < .01$ ) along with normative ( $r = .441$ ,  $p < .01$ ) forms of commitment. However the relationship of Culture with continuance commitment is relatively weaker, but significant. ( $r = .201$ ,  $p < .01$ ). Teamwork was also found to be significantly and positively correlated with affective,

normative, continuance and the overall organizational commitment. It had the highest positive correlation with Overall organizational commitment ( $r = .472, p < .01$ ) and lowest with continuance commitment ( $r = .219, p < .01$ ).

Employees' assessment of organizational communication was also found to be related to overall organizational commitment and its forms. In particular, communication had the highest positive correlation with overall commitment ( $r = .463, p < .01$ ). A relationship also exists between continuance commitment and communication, however, the correlation is relatively weaker ( $r = .177, p < .05$ ). It had a moderate correlation with normative commitment ( $r = .368, p < .01$ ).

The correlation analysis in table 21 also illustrates a positive and significant relationship between organizational rewards and different types of commitment. It has the strongest correlation with organizational commitment ( $r = .459, p < .01$ ) while the lowest correlation was observed with continuance commitment ( $r = .171, p < .05$ ). Affective commitment had a useful conceptual correlation with rewards ( $r = .368, p < .01$ ), followed by normative commitment ( $r = .349, p < .01$ ). Undoubtedly, rewards can impact employees' attachment and its development, towards their organization. The results in Table 21 support the hypothesis that training is highly correlated with overall commitment ( $r = .43, p < .01$ ). It must also be noted that normative ( $r = .382, p < .01$ ) and affective organizational commitment ( $r = .382, p < .01$ ) are correlated significantly with training. Continuance commitment and training showed no significant relationship in the correlation analysis

#### **4.6 RELATIONSHIP BETWEEN ORGANIZATIONAL COMMITMENT AND ITS PREDICTOR VARIABLES**

*Research Question 3: To what extent do the demographic factors, organizational culture and its subscales predict the level of organizational commitment and its forms?*

This research question was geared at determining the extent to which specific demographic and organizational cultural subscales predict organizational commitment and its forms. Linear and Multiple regressions were carried out with organizational commitment as the dependant variable and cultural and demographic subscales as predictor variables.

Linear regression for Overall Organizational commitment and Overall Organizational culture was carried out and the results are presented in table 22. Further, linear regressions analyses were performed between organizational culture and the three types of commitment. The first linear regression model as shown in table 22 is testing the relationship between overall organizational culture and overall Organizational commitment. It was highly significant ( $F=80.09$ ,  $p<.001$ ) and overall organizational culture was found to be predictive of overall organizational commitment with the  $R^2$  value being .288. Overall culture is represented by cumulating the scores of all four cultural dimensions. Simialrly overall organizational commitment was computed by adding the three commitment subscales scores. These results therefore support hypothesis 2a.

**Table 22. Linear Regression Analysis for Organizational Culture as a predictor of Organizational Commitment**

t-value	p-value	B	F-value	R	R <sup>2</sup>
8.95	.000	.537	80.09	.537	.288

The table 23 shows the regression model to test the hypothesis on the relationship between organizational culture and affective commitment. The model was significant (F=57.09, p<.001), with the R<sup>2</sup>=.244. This gives evidence that organizational culture explains sufficient variation in affective commitment. Hypothesis 2b which states that there is a significant relationship between the organizational culture and Affective commitment is thus supported.

**Table 23. Linear Regression Analysis for Organizational Culture as a predictor of Affective Commitment**

t-value	p-value	B	F-value	R	R <sup>2</sup>
7.55	.000	.473	57.059	.473	.224

The purpose of regression analysis presented in Table 24 was to determine whether organizational culture was a significant predictor of continuance commitment. The model is significant (F=8.022, p<.01). The R<sup>2</sup> obtained however explained a relatively smaller variation (R<sup>2</sup>=.039) in continuance commitment. Thus, Hypothesis 2c which states that there is a significant relationship between organizational culture and continuance commitment was supported, but only a small amount of variance in continuance commitment was explained by organizational culture.

**Table 24. Linear Regression Analysis for Organizational Culture as a predictor of Continuance Commitment**

t-value	p-value	B	F-value	R	R <sup>2</sup>
2.832	.005	.197	8.022	.197	.039

The last linear regression analysis in Table 25 presents the amount of variance in normative commitment explained by organizational culture ( $R^2 = .195$ ). The model was highly significant ( $F=47.86$ ,  $p<.001$ ). So, it can be concluded that Organizational culture does affect normative form of commitment and is a predictor of the dependant variable. Hypothesis 2 d is thus supported by these results.

**Table 25. Linear Regression Analysis for Organizational Culture as a predictor of Normative Commitment**

t-value	p-value	B	F-value	R	R <sup>2</sup>
6.918	.000	.441	47.860	.441	.195

multiple linear regressions method is vastly recognized as a useful statistical procedure for determining the relationship between the dependant variable and two or more predictors, chosen for a study. It is one of the most commonly used methods for building models to explain and predict the relationship of the dependant and the independent variables. Multiple regression analysis is a statistical procedure that “relates one dependant variable to a linear combination of one or more independent variables.” (Kerlinger and Lee, 2000). This method helps in determining how much variation in the dependant variable is explained or related to the independent variable. The multiple regression correlation



coefficient,  $R^2$ , is the output of this procedure. The F-test determines its significance.

In order to study the relative contribution of different predictors on types of Commitment, we performed multiple regressions in this study. In the first instance, Organizational commitment and its forms were regressed against the socio demographic variables to study the impact of demographic variables on the different types of commitments. Then the forms of commitment were regressed against the four cultural factors in the following *multiple regression analyses*. Multiple regression analysis of Organizational commitment (Dependant variable) with Demographic factors (Independent variables) is reported in Table26.

**Table 26. Multiple Regression Analysis of Organizational Commitment with Demographic factors**

Variables	Standardized Coefficients	<i>p</i> -value	<i>VIF</i>
Gender	-.009	.903	1.050
Marital Status	-.089	.305	1.495
Age	.089	.485	3.252
Current work experience	.155	.149	2.333
Years of Education	-.008	.914	1.140
Level of management	-.020	.813	1.480
R <sup>2</sup> = 0.045			
Adjusted R <sup>2</sup> = 0.012			
F = 1.53 , p =0.171			

It can be seen in Table 26 that all demographic variables collectively have a small influence on organizational commitment. None of the demographic factor was significantly impacting overall organizational commitment. Collectively, the demographic variables explained only 4.5% variation in commitment level. The complete equation was not significant ( $p=.171$ ). Thus the *hypothesis 1a* which predicted that the demographic factors collectively are significantly related to the level of commitment was not supported.

The last column in Table 26 shows the Variance Inflating Factor (VIF) values. They measure the effect of other independent variables on a regression coefficient (Cooper & Schindler, 2003) and a value larger than 10 signifies serious multi-collinearity. The largest VIF value was 3.25, which is much lower than the cut-off value of 10 (Chatterjee, Hadi & Price, 2000). Thus it can be stated that multi-co linearity did not seem to be a problem for this study.

Results of the regression analysis for study's cultural factors (Rewards, Teamwork, Training and Communication) as predictors of Organizational Commitment are presented in Table 27. The  $R^2$  of .291 implies that the cultural factors accounted for 29.1% of the organizational commitment. The F-value (19.39) was significant ( $p<.001$ ), thus the model was predictive of the dependant variable. Two of the cultural dimensions emerged significant predictors of overall organizational commitment, namely rewards ( $p<.10$ ) and teamwork ( $p<.05$ ). Communication and training did not have a significant effect on Organizational commitment.

Overall the regression model shows that four organizational cultural aspects explain 29.1% of the variance in organizational commitment, when demographic factors are excluded. Out of the four cultural dimensions, two were significantly related to overall organizational commitment. Teamwork had the strongest influence with a positive beta of .22 with a level of significance less than 5 percent, followed by Rewards with a standardized coefficient of .184 ( $p < .10$ ). Thus these results are supporting *hypothesis 4a and hypothesis 6a*. *Hypothesis 3a and hypothesis 5a* are not supported. Collinearity diagnostics revealed that the VIF was less than the threshold value of 10, thus multi co-linearity amongst the independent variables was not a problem.

**Table 27. Multiple Regression Analysis of Organizational Commitment with Organizational Cultural factors**

Variables	Standardized Coefficients	<i>p</i> -value	<i>vif</i>
1.Rewards	.184	.051	2.406
2.Teamwork	.222	.011	2.044
3.Training	.110	.201	1.992
4.Communication	.119	.216	2.517
R <sup>2</sup> = .291			
Adjusted R <sup>2</sup> = .277			
F =19.39 , <i>p</i> =.000			

In Table 28 the results of the relationship between the Affective commitment and the specified demographic variables are presented. The results of the overall model are insignificant and all the demographic

factors explain only 5.4% variation in the affective commitment. None of the individual demographic factors showed a significant relationship with the dependant variable.

**Table 28. Multiple Regression Analysis of Affective Commitment with Demographic factors**

Variables	Standardized Coefficients	<i>p</i> -value
Gender	.014	.844
Marital Status	-.133	.109
Age	.109	.303
Current work experience	.191	.123
Years of Education	-.025	.744
Level of management	-.036	.593
R <sup>2</sup> = .054		
Adjusted R <sup>2</sup> = .022		
<i>F</i> =1.75, <i>p</i> =0.112		

Marital status and level of management had a negative but no significant effect on affective commitment. The overall equation was insignificant with an *F*-value=1.75. The above analysis thus is not supporting hypothesis *Ib*.

Results of multiple regressions for Affective commitment and Organizational cultural factors are shown in Table 29. The results show that the four cultural dimensions explain 22.8% of the variation in

affective commitment. The model is highly significant ( $F = 14.39$ ,  $p = .000$ ). It is to be noted that only rewards have a substantial bearing on affective commitment for bank employees. Rewards had a positive beta value (.217), with a significance level  $p < .05$ , showing that the higher rewards an organization has, the higher the affective commitment will be present amongst employees.

**Table 29. Predicting Affective Commitment with Org. Cultural factors**

Variables	Standardized Coefficients	<i>p</i> -value
1.Rewards	.217	.027
2.Teamwork	.083	.357
3.Training	.103	.247
4.Communication	.151	.133
$R^2 = .228$		
Adjusted $R^2 = .212$		
$F = 14.39$ , $p = .000$		

Thus this analysis provides support for hypothesis *4b* which states that there is going to be a significant relationship between rewards and affective commitment. The other three dimensions of Organizational Culture did not have a significant relationship with affective form of commitment, thus *hypothesis 3b, 5b and 6b were not supported*.

Similar tests were applied for determining the significant variables impacting continuance form of commitment in Table 30. As for the

demographic set, the equation was insignificant, showing that the demographic variables did not play an important role in determining this type of commitment.

**Table 30. Multiple Regression Analysis of Continuance Commitment with Demographic factors**

Variables	Standardized Coefficients	<i>p</i> -value
Gender	-.055	.452
Marital Status	-.026	.764
Age	.085	.510
Current work experience	.051	.642
Years of Education	-.060	.430
Level of management	-.034	.698
R <sup>2</sup> = .025		
Adjusted R <sup>2</sup> = -.006		
F =0.907 <i>p</i> =0.558		

The R<sup>2</sup> value of 2.5% shows weak prediction of continuance commitment by the demographic variables.

From Table 31, we can see that cultural factors also weakly predicted Continuance commitment. The R<sup>2</sup> was 5.1% and was much smaller than the R<sup>2</sup> values for the four cultural factors impacting other forms of

commitment. Only one of the cultural factors, teamwork, showed a significant relationship ( $p < .10$ ) with continuance commitment.

**Table 31. Multiple Regression Analysis of Continuance Commitment with Organizational Cultural factors**

Variables	Standardized Coefficients	p-value
1.Rewards	.087	.422
2.Teamwork	.182	.069
3.Training	-.053	.591
4.Communication	.020	.859
R <sup>2</sup> = .051 Adjusted R <sup>2</sup> = .032		
F = 2.634 , p = .036		

This result supports the correlation findings in Table 21 which indicated that continuance commitment had the highest correlation with teamwork ( $r = .291$ ,  $p < .01$ ). Therefore we have evidence to support *hypothesis 6c* which states that there is going to be a significant relationship between teamwork and continuance commitment. However *hypothesis 3c, 4c and 5c* are not supported by the findings of this analysis. The overall equation was significant ( $p = .036$ ) with an F-value = 2.634.

The set of demographics and cultural factors were also regressed against normative commitment separately. As shown in Table 32, none of the demographic factors had an influence on the dependant variable. In fact the adjusted R square was a negative value, confirming no association between the tested variables. The results also support the correlation

findings of Table 14, where none of the demographic factors had a significant relationship with normative commitment. The overall equation was insignificant as well.

**Table 32. Multiple Regression Analysis of Normative Commitment with Demographic factors**

Variables	Standardized Coefficients	<i>p</i> -value
Gender	.017	.816
Marital Status	-.019	.824
Age	-.013	.921
Current work experience	.121	.268
Years of Education	.065	.397
Level of management	.031	.724
R <sup>2</sup> = .014		
Adjusted R <sup>2</sup> =-.018		
F = .415    p =.869		

In Table 33, the findings of the relationship between the specified organizational cultural factors and normative commitment are presented. As far as the cultural variables are concerned, teamwork and training were significant predictors of normative commitment, thus confirming *hypothesis 3d* and *6d*. Rewards and communication had no significant direct effect on the dependant variable i.e. normative commitment. Thus *hypothesis 4d* and *5d* were not supported. The complete equation for cultural factors was highly significant (F=12.44, p=0.000). The degree of



prediction of the model was 18.7%. Teamwork had a higher significance ( $p=.018$ ) as compared to training ( $p=.05$ ) in the model.

**Table 33. Multiple Regression Analysis of Normative Commitment with Org. Cultural factors**

Variables	Standardized Coefficients	<i>p</i> -value
1.Rewards	.054	.584
2.Teamwork	.218	.018
3.Training	.178	.050
4.Communication	.078	.444
R <sup>2</sup> = .203 Adjusted R <sup>2</sup> = .187		
F = 12.44 , <i>p</i> =0.000		

Summarily, from the above multiple regression analyses, we can conclude that organizational cultural factors had a more significant and higher impact on Organizational commitment and its forms, as compared to the demographic factors.

#### **4.7 STRONGEST PREDICTOR SET OF VARIABLES FOR ORGANIZATIONAL COMMITMENT AND ITS FORMS.**

*Research Question 5: Which set of predictor variables of the study have the highest impact on organizational commitment and its forms?*

In order to investigate the research question concerning the relative contribution of the study's independent variables, stepwise regressions were performed on Commitment and its three forms. The results are presented below.

The association between organizational commitment and cultural factors was assessed by using the stepwise regression analysis. It was conducted to examine how much of the variance in our dependant variables was explained by the Cultural and Demographic factors. This analysis assisted in determining which set of factors had a higher predictive power for commitment and its forms. To carry out these analyses, organizational cultural variables were entered first in a block, followed by a block entry of demographic variables. The change in  $R^2$  and F values, as the blocks were added, were also reported.

#### ***4.7.1 Factors affecting Organizational commitment: Organizational cultural and Demographic factors***

The Table 34 below presents the hierarchical regression analysis. It is to be noted that the first block entered was of cultural factors followed by the block of demographic variables. The results show that cultural factors and demographic variables have a significant relationship with overall commitment.

As anticipated, the four Cultural factors made a much higher significant contribution than the demographic factors in the Pakistani banking sector. as they explain 29.3% of the variation in the level of organizational commitment. Meanwhile an additional 1.7% only of the variation is explained by demographic factors. The regression model was highly statistically significant with an F-value of 9.828 ( $p=0.00$ ). Together the two sets of variables explained 31% of variance in organizational commitment levels.

**Table 34. Hierarchical regression of organizational cultural variables/ demographic factors with overall Organizational Commitment**

<b>Block</b>	$R^2$	$\Delta$ in $R^2$	F value	$\Delta$ in F	<i>P</i>
1. Cultural factors (Teamwork, training, communication, rewards)	.293	-	20.172	-	0.00
2. Socio-demographic factors (Age, gender, marital status, current work-experience, education, and level of management.)	.310	.017	9.828	10.344	0.00

---

N=200

---

**4.7.2 Factors affecting Affective commitment: Organizational cultural and Demographic factors**

The Table 35 holds the results of the hierarchical regression analysis for Affective commitment. The results demonstrate that collectively, the cultural factors have a high impact ( $R^2 = 22.6\%$ ) on the dependant variable and it reaches a significant level ( $p=0.00$ ). While adding the demographic factors presented a significant increase in  $R^2$  of 3.4% ( $p=.000$ ). Both the variable sets are able to explain 26% of variance in Affective commitment, but the cultural factors have a much higher impact.

**Table 35. Hierarchical regression of demographic factors/cultural factors with the level Affective Commitment**

Block	R <sup>2</sup>	Δ in R <sup>2</sup>	F value	Δ in F	P
1. Cultural factors (Teamwork, training, communication, rewards)	.226	-	14.39	-	.000
2. Socio-demographic factors (Age, gender, marital status, current work-experience, education, and level of management.)	.260	.034	7.405	6.985	.000

---

N = 200

---

**4.7.3 Factors affecting Continuance commitment: Organizational cultural and Demographic factors**

The hierarchical regression analysis in Table 36 confirmed our earlier findings from correlation and regression analyses.

Both organizational cultural factors and demographic factors have a relatively lower impact on Continuance commitment as compared to other forms of commitment. When the cultural factors were entered in the first block, an R<sup>2</sup> value of .052, (p < .05) explained the variance in continuance commitment.

**Table 36. Hierarchical regression of demographic factors/cultural factors with the level Continuance Commit.**

Block		R <sup>2</sup>	Δ in R <sup>2</sup>	F value	Δ in F	P
1.	Cultural factors (Teamwork, training, communication, rewards)	.052	-	2.698		.032
2.	Socio-demographic factors (Age, gender, marital status, current work-experience, education, and level of management.)	.071	.019	1.607	1.091	.116

N= 200

An incremental variance of 1.9 % was observed after adding demographic factors in the next block. However, it can be noted that the model became insignificant when demographic factors were added.

**4.7.4 Factors affecting Normative commitment: Organizational cultural and Demographic factors**

The findings in Table 37 support the importance of Organizational cultural factors in explaining the level of normative commitment. Cultural and demographic variables significantly explained a 20.7% variance in normative commitment, collectively. Out of the total variance reported, 20.3% was explained by cultural factors, while only an additional 0.4% was explained by the demographic factors. The model was highly significant with an F-value of 5.515(p=0.00). Thus cultural factors were stronger predictors of normative form of commitment as compared to demographic factors.

**Table 37. Hierarchical regression of demographic factors/cultural factors with the level of Normative Commitment**

Block	R <sup>2</sup>	Δ in R <sup>2</sup>	F value	Δ in F	P
1. Cultural factors(Teamwork, training, communication ,rewards)	.203	-	12.437		.000
2. Socio-demographic factors (Age, gender, marital status, current work-experience, education, and level of management.)	.207	.04	5.515		.000

N =200

Thus to sum up the above analyses, the results provide evidence that the cultural and demographic variables are significant determinants of organizational commitment and its subscales. However, the impact of organizational cultural variables on the dependant variables is much higher than the demographic variables in terms of unique contribution.

#### **4.8 FURTHER ANALYSIS**

To further explore the relationship between organizational commitment and the predictor variables, stepwise regression analysis was executed in order to identify the particular variables which had the highest impact on the level of organizational commitment and its forms when both the cultural and demographic factors were taken into consideration collectively. This technique assisted in determining the extent to which the set of independent variables were useful in explaining the commitment factors amongst the studied sample. In this method, all of the independent

variables are entered simultaneously, and the software automatically generates the most significant set of predictors. Variables are not added to the regression equation if they do not make a statistically significant addition to the analysis.

The final model produced for organizational commitment by the stepwise analysis is shown in Table 38. It shows that just over 29% of the variance in the organizational commitment is explained by the best predictors and there are only three; of which two belong to culture and one belongs to socio-demographics.

**Table 38. Stepwise regression analysis for overall Organizational commitment (N= 200)**

Variables	Standardized Co-efficient	T-statistics	Significance
Teamwork	0.290	3.971	.000
Rewards	0.288	3.957	.000
Current work experience	0.134	2.225	.027
F-value =27.653			
p-value= 0.00			
R <sup>2</sup> = 0.297			
Adjusted R <sup>2</sup> = 0.287			

However, the only identified significant beta coefficients amongst the proposed antecedents were two cultural factors and one demographic factor. The cultural factors teamwork and rewards entered the equation whereas out of all the demographic variables, only current work

experience entered the equation. The results indicate that organizations that have higher levels of teamwork and rewards are more likely to have employees exhibiting a higher level of overall commitment. Similarly employees with a longer work experience with the bank are more likely to be more committed as opposed to new employees. Hypothesis *4a and 6a* are thus supported from Table 38's findings. Hypothesis *1a* is also partially supported with one of the demographic variables appearing in the equation.

Table 39 reveals those two organizational cultural variables (rewards and communication) and one demographic factor (current work experience) that are significant predictors of affective commitment.

**Table 39. Stepwise regression analysis for Affective commitment (N= 200)**

Variables	Standardized Co-efficient	T-stats	<i>p</i>
Rewards	.291	3.389	.001
Communication	.212	2.468	.014
Current Work experience	.153	2.446	.018
F-value= 20.63			
p-value =.000			
R <sup>2</sup> =.240			
Adjusted R <sup>2</sup> = .228			

A total of 24.0 % of the variance in affective commitment is being explained by these three factors. Hypothesis *4b and 5b* are thus supported as Rewards and Communication are significant variables in the above



table. Hypothesis *5b* which was not supported by earlier simple regression analysis is now provided with supporting evidence. Hypothesis *1b* is partially supported by the above findings with current work experience showing a significant relation with affective commitment. The equation is significant with an F-value of 20.63 (p=0.00).

The stepwise regression analysis performed for continuance commitment in Table 40 indicated that only 4.8% variation was explained by one cultural dimension i.e. teamwork. This analysis thus provides further evidence to support *hypothesis 6c*. None of the other cultural and demographic variables were significant enough to appear in the multiple equation.

**Table 40. Stepwise Regression Analysis for Cont. commitment (N=200)**

Variables	Standardized Co-efficient	T-statistics	Significance
Teamwork	.219	3.153	.002
F-value= 9.944 p-value =.002 R <sup>2</sup> =.048 Adjusted R <sup>2</sup> =.043			

Table 41 shows the significant predictors for normative commitment, when entered in stepwise regression analysis. Two organizational cultural factors (teamwork and training) entered the equation. None of the

demographic factors were significant predictors of normative commitment. Teamwork and training collectively accounted for 18.9% of the total variance in the predicted variable thus supporting hypothesis 3*d* and 6*d*.

**Table 41. Stepwise regression analysis for Norm. Commit. (N=200)**

Variables	Standardized Co-efficient	T-statistics	Significance
Teamwork	.274	3.547	.000
Training	.228	2.955	.004
F-value= 24.21			
p-value =.000			
R <sup>2</sup> =.197			
Adjusted R <sup>2</sup> =.189			

The above findings of stepwise regression analyses support the important role of cultural factors as explanatory variables of Commitment, with all four of the cultural dimensions influencing one form of commitment or the other.

Table 42 on the next page lists the results of the study's' hypotheses, based on our analyses carried out above.

**Table 42. Summary of Hypothesis Test Results**

	Hypothesis	Analysis Result
H1a:	<i>There is going to be a significant relationship between the socio-demographic variables (age, gender, marital status, current work experience, years of education and level of management) and overall commitment.</i>	Partially supported
H1b:	<i>There is going to be a significant relationship between the socio-demographic variables (age, gender, marital status, current work experience, years of education and level of management) and affective commitment.</i>	Partially supported
H1c:	<i>There is going to be a significant relationship between the socio-demographic variables (age, gender, marital status, current work experience, years of education and level of management) and continuance commitment.</i>	Partially supported
H1d:	<i>There is going to be a significant relationship between the socio-demographic variables (age, gender, marital status, current work experience, years of education and level of management) and normative commitment.</i>	Partially supported

H2a:	<i>There is going to be a significant relationship between the organizational culture and overall commitment.</i>	Supported
H2b:	<i>There is going to be a significant relationship between the organizational culture and Affective commitment</i>	Supported
H2c:	<i>There is going to be a significant relationship between the organizational culture and Continuance commitment.</i>	Supported
H2d:	<i>There is going to be a significant relationship between the organizational culture and Normative commitment</i>	Supported
H3a:	<i>There is going to be a significant relationship between the training and overall commitment.</i>	Not Supported
H3b:	<i>There is going to be a significant relationship between the training and affective commitment.</i>	Not Supported
H3c:	<i>There is going to be a significant relationship between the training and continuance commitment.</i>	Not Supported
H3d:	<i>There is going to be a significant relationship between the training and normative commitment.</i>	Supported
H4a:	<i>There is going to be a significant relationship between the rewards and overall commitment.</i>	Supported

H4b	<i>There is going to be a significant relationship between the rewards and affective commitment.</i>	Supported
H4c	<i>There is going to be a significant relationship between the rewards and continuance commitment.</i>	Not Supported
H4d	<i>There is going to be a significant relationship between the rewards and normative commitment.</i>	Not Supported
H5a:	<i>There is going to be a significant relationship between the communication and overall commitment.</i>	Not Supported
H5b	<i>There is going to be a significant relationship between the communication and affective commitment.</i>	Supported
H5c	<i>There is going to be a significant relationship between the communication and continuance commitment.</i>	Not Supported
H5d	<i>There is going to be a significant relationship between the communication and normative commitment.</i>	Not Supported
H6a:	<i>There is going to be a significant relationship between the teamwork and overall commitment.</i>	Supported
H6b	<i>There is going to be a significant relationship between the teamwork and affective commitment.</i>	Not Supported

H6c	<i>There is going to be a significant relationship between the teamwork and continuance commitment.</i>	Supported
H6d	<i>There is going to be a significant relationship between the teamwork and normative commitment.</i>	Supported

## **CHAPTER 5 CONCLUSION, IMPLICATIONS, LIMITATIONS AND SUGGESTIONS**

### **5.1 CONCLUSIONS**

In recent years, the rapidly changing dynamics of the employee-organization relationships has increased the importance of understanding the factors that affect employees' commitment to their organizations. Scholars have suggested that organizational commitment is the key determinant of important organizational level outcomes such as performance, lower absenteeism and turnover, acceptance of organizational change etc (Meyer & Allen, 1997; Ahmad & Bakar, 2003 and Su et.al, 2009). Although organizational culture has been argued to be important to understand organizational commitment, very few studies have been conducted to explore the relationship between the two concepts (Mathew & Ogbonna, 2009). More importantly, no study focuses on this relationship within the Pakistani organizational context.

The foremost purpose of this study was to understand how organizational cultural factors effect employee commitment in the banking sector of Pakistan. The banking sector was chosen for this study as the relationship between commitment and cultural factors has not been empirically tested in any of the previous researches carried out in the banking sector of Pakistan. The banking sector in Pakistan has an important national and economic significance, yet it has been neglected in research settings. Therefore this study aims to provide an evaluation of effect of cultural and demographic factors on employee commitment in the banking sector of Pakistan. The three components of commitment (i.e. affective, continuance and normative) were studied in association with four key

dimensions of organizational culture i.e training, teamwork, communication and rewards.

The overall fit of the regression models used in this study, as indicated by R-square indicated that a very low percentage of variation in all forms of commitment has been explained by demographic variables. The findings demonstrated however reasonably stronger support for the research hypotheses about the existence of relationship between commitment and the organizational cultural factors. This substantiates the argument given by Balfour & Wechsler (1996) that employees are not predisposed to be committed to their organization based on their personal characteristics; instead commitment is influenced by work experiences, organizational arrangements and job characteristics.

The strongest results were obtained for overall commitment and affective commitment, while continuance commitment was found to have the weakest association with organizational cultural factors. This substantiates the argument that an employee's feelings of obligation to stay with their respective organizations were largely determined by positive work experiences which are result of preferred cultural practices. Their willingness to stay with the organization seemed to be due to their emotional attachment to the organization.

Grouping of respondents done on the basis of their demographics had some interesting differences amongst the demographic groups which have been discussed below.

As far as the demographic variables are concerned, organizational commitment was not found to be different amongst male and female respondents (Refer to Table15). This finding is in line with Mathebula's



(2004) findings. However it differs from Mathieu and Zajac's (1990) findings in which women displayed higher commitment levels than men. They have conjectured that women find it harder to find alternative employment options and therefore they tend to display higher continuance commitment. It is a possibility that the female staff in Pakistani banks might not feel obliged to remain with banks as most of the institutions are equal opportunity employers and so the women might have the confidence to find better employment opportunities. None of the three forms of commitment were found to differ among married and unmarried respondents (Refer to Table 16).

Organizational commitment was not found to be related with years of education of the respondents. Further, the ANOVA test also showed no significant difference of commitment level among the four education groups of employees (Refer to Table 20). This finding contradicts the belief that employees with higher education have lower commitment to stay with their current organization because of better opportunities available for employment by other institutions. On the other hand Irving et al(1997) have argued that employees with higher level of education and training are more attached to their organization as they perceive their skills as employable in their current job. Absence of significant relationship of organizational commitment with education is therefore unexpected in the light of the findings reported by earlier researchers.

Age and current work experience correlated positively with overall commitment and affective commitment. The levels of overall and affective commitment varied significantly across age and across current work experience for our sample. Overall commitment was found to be significantly lower for the age group 26-35 as compared to higher age

groups (Refer to Table 18). A study conducted by Su et al (2009) has reported that employees with lower age had shown relatively lower Organizational Commitment levels.

It was also found that employees with 11 years or more work experience with their current bank showed higher levels of organizational and affective commitment as opposed to employees with lesser work experience (Refer to Table 19). This finding is consistent with earlier findings (e.g, Allen & Meyer,1990 ; Ahmad & Bakar ,2003 ; Natarajan &Nagar ,2011) which suggested that employees who have a longer work experience may be more emotionally attached to their organizations. However, tenure was not found to be related with normative commitment or continuance commitment. This contrasts the findings by (Becker,1960) which claimed that the cost of leaving increased with longevity and thus increased continuance commitment. Thus it can be concluded that tenure within an organization did not seem to inculcate among bank employees of Pakistan's feelings of obligation to stay with their respective banks, and they may be willing to leave the organization to gain higher salaries or benefits. However, the reasons for leaving the banks were not specifically researched in this study.

It was found that employees in the upper management showed a higher level of normative commitment and middle management employees had shown a higher level of continuance commitment (Refer to Table 17). Further research with respect to different levels of management showing different types of commitment can be an interesting area of investigation.

This study's' findings demonstrated reasonably stronger support for the research hypotheses about the presence of the relationship between

commitment and the cultural factors. The four cultural factors contributed significantly to organizational commitment and its three forms. In the presence of preferred cultural practices in a bank, employees were found to be more likely to feel loyal and morally obliged to remain with their respective banks.

It was found that continuance and normative commitment were related with teamwork conditions and opportunities (Refer to table 40 &41). These results are consistent with the findings reported by Karia and Asaari (2006), which found a significant positive relationship between teamwork and organizational commitment. Moreover in their study Karia and Asaari (2006), found teamwork to have the highest beta as compared to the two other factors studied which were; (1) training and education, and (2) continuous improvement and problem prevention. Findings of present study confirm the findings reported by Delarue et al., (2008), in which teamwork was identified to have a positive link with employee performance related attitudes and behavior and commitment is one such attitude.

Rewards were found to be significantly, positively related with overall organizational commitment and affective commitment (Refer to Table 38 &39). These findings are consistent with the findings of the study by Malhotra et al. (2007). However, unlike the findings of the study by S. Su et al, (2009), in which rewards were positively linked to normative commitment, the present study found no such association (Refer to Table 41). Similarly no link was found between rewards and continuance form of commitment (Refer to Table40), which was in contrast to findings by Mathieu and Zajac, (1990) and Malhotra et al., (2007). These studies had

dissected rewards into extrinsic and intrinsic forms and then studied the relationship with the Organizational Commitment. The current study therefore, might be limited in nature as no attempt was made to distinguish between the various forms of rewards.

Communication as an organizational cultural dimension was found to have a significant relationship with only affective form of commitment (Refer to Table39). This is in accord with the literature that states that employees who reflect positively on communicational factors are expected to exhibit stronger feelings of commitment to the organization (Smidt et al, 2001). Employees develop a greater desire to remain with their employer due to the open communication environment in the organization. No relationship was however found between all other forms of commitment and communication.

The stepwise regression analysis showed training to be a significant predictor of only normative commitment (Refer to Table 41). Training did not show any significant relationship with overall commitment and continuance commitment. Similar findings were reported in a Malaysian study by Ahmad and Bakar, (2003). However, this study's' findings on affective commitment contradicted the above mentioned study because no relationship was found between affective commitment and training also. This implies that despite normative form of commitment, Pakistani bank employees do not think that they need to stay with the organization that has made training available. However it is conjectured that since the organization invested in training the employees, they might feel indebted to the company, as shown by the presence of a relationship between normative form of commitment and training.

Further analyses of the study's data compared the relative contribution of cultural factors and demographic factors to the levels of commitment. Results confirmed the cultural factors did collectively explain a higher percentage change in organizational commitment as compared to the demographic factors on organizational commitment (Refer to Table 34). Similarly affective commitment and normative commitment showed a highly significant relationship with all four cultural factors as compared to the demographic factors as shown in Table 35&37. On the other hand continuance form of commitment did not show a very strong relationship with the cultural factors or the set of demographic factors chosen in this study as shown in Table 36.

In summary, this study has added to the existing literature by confirming the presence of effects of organizational cultural and demographic factors on organizational commitment in a sample of the banking sector employees. It is proposed that further research on antecedents of organizational commitment in the Pakistani environment, apart from demographics may be taken up by future researches. This study has shed light on what cultural factors and organizational practices are needed for higher commitment of employees.

## **5.2 PRACTICAL IMPLICATIONS**

This study can assist managers in better understanding the relationship of the examined variables in order to enhance managerial effectiveness leading to organizational success. As organizational commitment leads to positive organizational outcomes (e.g low turnover, lower absenteeism,

higher efficiency etc), it is a desirable trait for any organization. This study showed that cultural practices such as rewards and communication can enhance affective commitment of employees, thus the human resource managers can make initiatives to improve those aspects. Since affective commitment has the strongest relationship with positive organizational outcomes, managers need to focus on understanding elements that help improve affective commitment levels of employees. The greater proportion of continuance commitment in our results can be attributed to lack of alternative employment options as well as current economic scenario. Thus management needs to emphasize efforts on improving the employees' morale and job conditions in order for them to be genuinely attached to the organization in the long run.

The managers need to firstly assess their organizations culture and based on its strong relationship with commitment, they need to develop cultural practices that are more conducive to the employees. Secondly, by determining the employees' commitment level, they can match the type of employee appropriate for a particular task. The managers can also attempt to enhance the required type of commitment for organizational success by enhancing superior performance.

### **5.3 LIMITATIONS:**

The research methodology undertaken for this study had certain limitations. This study was limited in nature as it targeted the population within Lahore, Pakistan. This study involved the banking sector and the results might not be generalized to other organizations outside the banking sector. However, it was, for most part consistent with the findings of

previous studies conducted in Western and Asian countries. Nevertheless, it is recommended that further research be taken up in other cities of Pakistan to find out other aspects of culture that may be vital to build commitment.

It is also acknowledged that survey methods may not be able to reflect the employee emotions and working conditions in entirety. Standardized questionnaires compromise on the depth of the data and reflect the perceptions of only the respondents who chose to be a part of the study. However they do have the advantage of generalizing from the results. The antecedents studied in this study are not exhaustive; therefore the future researches can explore other factors and their impact on commitment.

Another limitation of this study, like in most cases for social science research studies, was the use of cross sectional approach which makes the causality ambiguous, as opposed to a longitudinal approach. Longitudinal approaches have the advantage of less ambiguous and dependable causality as the data is collected from a small sample at regular intervals.

Lastly, multicollinearity might be considered as a limitation to this study. Although the multicollinearity statistics did not suggest high multicollinearity between the independent variables, it cannot be completely ignored.

#### **5.4 SUGGESTIONS FOR FUTURE RESEARCH**

The findings of this study have opened several avenues for further investigation. Organizational Cultural practices have emerged as important aspects for continued examination and research. Longitudinal studies are also strongly suggested to have a better insight into the true impact of these variables on the various forms of commitment as discussed in the

limitations of this study. This will not only enable to establish causality but will also assist in the enhancement of effectiveness of the management practices of the banking sector.

Moreover, qualitative studies will be imperative to identify employees' levels of commitment as well as key dimensions of organizational culture impacting them. Simultaneously, the variables apart from the ones addressed in this study should also be addressed. With mergers, downsizing and layoffs becoming increasingly prevalent, individuals are less likely to depend on a single organization for the span of their entire career. Thus a longitudinal study could also help find the shift of employees from organizational to career commitment.

Similarly, Interview based studies can be conducted in order to uncover other aspects of culture that may be important for commitment.

Furthermore this study could be replicated in different sectors within Pakistan to make further comparisons and analysis. Similarly this study could also be taken up in a similar sector across countries to do a cross country comparison of commitment levels within the banking sector. Lastly, the research's scope could be enhanced by increasing the sample size, which will make the results more generalizable.



## REFERENCES:

- Ahmad, K.Z & AbuBakar, R., (2003). The Association between training and organizational commitment among white-collar workers in Malaysia . *International Journal of Training and Development*. 7, 166-185.
- Allen, M.W. & Brady, R.M. (1997). Total Quality Management, Organizational Commitment, Perceived Organizational Support, and Intraorganizational Communication. *Management Communication Quarterly* .10, 316-341.
- Allen, N. J., & Meyer, J. P. (1990). The measurement and antecedents of affective, continuance and normative commitment to the organization. *Journal of Occupational Psychology*. 63, 1-18.
- Allen, N. J., & Meyer, J. P. (1996). Affective, continuance, and normative commitment to the organization: An examination of construct validity. *Journal of Vocational Behavior*, 49, 252-276.
- Armstrong, M. (1996), *A Handbook of Personnel Management Practice*, 6th ed., Kogan Page, London.
- Balfour D.L., & Wechsler B., (1996). Organizational Commitment: Antecedents and Outcomes in Public Organizations. *Public Productivity & Management Review* 19(3), 256-277.
- Bartlett, K. R. (2001). The relationship between training and organizational commitment: A study in the health care field. *Human Resource Development Quarterly*, 12(4), 335-352.
- Barnard, C. I. (1938). *The functions of the executive*. Cambridge, MA: Harvard University Press
- Bateman, T. S., & Strasser, S. (1984). A longitudinal analysis of the antecedents of organizational commitment. *Academy of Management Journal*, 27(1): 95-112.
- Becker, H. S., (1960). Notes on the concept of commitment. *American Journal of Sociology*, 66, 32-40.

- Bernardi R. A.& Guptill S.T. (2008) , Social desirability response bias, gender,and factors influencing organizational commitment: An International Study. *Journal of Business Ethics* . 81,797–809.
- Bhatti, K.K & Nawab, S., (2011), Determinants of organizational commitment in banking sector. *International Journal Of Academic Research*.3(4), 468-474.
- Boon, O.K. and Arumugam, V. (2006). The influence of corporate culture on organisational commitment: Case study of semiconductor organisations in Malaysia. *Sunway Academic Journal*.3, 99-115.
- Bratton, J., Gold, J.(1994). *Human Resource Management: Theory and Practice*. Macmillan, Basingstoke.
- Buchanan, B., (1974).Building organizational commitment: the socialization of managers in work organizations'. *Administrative Science Quarterly*.19, 4, 533–46.
- Bulut,C. & Culha, O., (2010). The effects of organizational training on organizational commitment. *International Journal of Training & Development*; 14 (4), 309-322.
- Burton, D.,(1991). Tellers into sellers. *International Journal of Bank Marketing*.9 (6), 25-29.
- Bushra, F., Usman, A., & Naveed, A. (2011). Effect of Transformational Leadership on Employees' Job Satisfaction and Organizational Commitment in Banking Sector of Lahore (Pakistan). *International Journal of Business & Social Science*.
- Cameron, K. M., & Quinn, R. E. (1999). *Diagnosing and changing organizational culture*. Reading, MA: Addison- Wesley.
- Chatterjee, S., Hadi, A. S., & Price, B. (2000). *Regression Analysis by Example*.New York: John Wiley & Sons Inc.
- Chughtai, A.A & Zafar, S. (2006). Antecedents and consequences of Organizational Commitment among Pakistani University Teachers, *Applied H.R.M Research*.11 (1), 39-64.
- Cooper, D. R., Schindler, P. S., & Sun, J. (2003). Business research methods.
- Conway, E. & Monks, K.(2009) Unraveling the complexities of high commitment: an employee-level analysis. *Human Resource Management Journal*. 19( 2), 140–158

- Cooke, R. A., & Lafferty, J. C. (1986). *Organizational culture inventory (form III)*. Plymouth, MI: Human Synergistics
- Costa, A. C. (2003). Work team trust and effectiveness. *Personnel Review*, **32**(5), 605-622.
- Deal, T.E., & Kennedy, A.A. (1988). *Corporate cultures: The rites and rituals of corporate life*. London: Penguin
- Delarue, A. Hootege, G.V., Procter, S. & Burrige, M. (2008). Team working and organizational performance: A review of survey-based research. *International Journal of Management Reviews*. 10 ( 2), 127–148
- Denison, D. R. (1990). *Corporate culture and organizational effectiveness*. New York, NY: John Wiley & Sons.
- Dessler, G. (2005), How to earn Employees' commitment. *Academy of Management Executive*. 13(2), 58-67.
- Downs, C.W., Downs, A., Potvin, T., Varona, F., Gribas, J.S., & Ticehurst, W. (1995). *A cross-cultural comparison of relationships between organizational commitment and organizational communication* .Paper presented at the International Communication Association Convention, Albuquerque, NM.
- Follett, M. P. (1924). *Creative experience*. New York: Longmans, Green and Company.
- Gellatly, Ian (1995). Individual and group determinants of employee absenteeism: test of a causal model. *Journal of Organizational Behavior*. 16, 5, 469-485.
- Gilbert C., Winne S.& Sels.L (2011). The influence of line managers and HR department on employees' affective commitment. *The International Journal of Human Resource Management*. 22( 8), 1618–1637
- Iqbal, A. (2010). An empirical assessment of demographic factors, organizational ranks and organizational commitment. *International Journal Of Business Management* , 5, 16-27.
- Irving, P.G, Coleman, F.& Cooper, C.L.(1997). Further Assessments of a Three-Component Model of occupational commitment: Generalizability and differences across occupations. *Journal of Applied Psychology*, 82 (3), 444-452.

- Joiner, T.A., Bakalis, S., (2006). The antecedents of organizational commitment: the case of Australian casual academics. *The International Journal of Educational Management* 20 (6), 439-452
- Jung, T., Scott, T., Huw T. O., Bower, P., Whalley, D., McNally, R. & Mannion, R. (2009). Instruments for Exploring Organizational Culture: A Review of the Literature. *Public Administration Review*. 69(6), 1087-1095.
- Kanter, R.M. (1968). Commitment and social organizations. A study of commitment mechanisms in utopian communities. *American Sociological Review*. 33, 499-517
- Karia, N., & Ahmad, Z. A. (2000). Quality practices that pay: empowerment and teamwork. *Malaysian Management Review*, 35(2), 66-76.
- Karia, N & Asaari M.H. (2006). The effects of total quality management practices on employee work related attitudes. *The TQM Magazine*. 18, 30–43.
- Kelman, H.C. (1958). Compliance, identification and internalisation: three processes of attitude change. *Journal of Conflict Resolution*. 2, 51-60.
- Kerlinger, F.N., & Lee, H.B. (2000). *Foundations of Behavioural Research*. 4<sup>th</sup> Ed. New York: Harcourt Publishers.
- Kotter, J.R and Heskett, J.L. (1992). *Corporate culture and performance*. New York: Free Press.
- L. Salim, S. Sadruddin, D. Zakus, (2012). Organizational Commitment in a Health NGO in Pakistan, *Voluntas* 23, –604.
- Lau, H. C., & Idris, M. A. (2001). Research and concepts: The soft foundation of the critical success factors on TQM implementation in Malaysia. *The TQM Magazine*, 13(1), 51–60.
- Lawson, R.B and Shen, Z. (1998). *Organisational psychology: Foundation and applications*. New York, NY: Oxford University Press
- Lok, P. & Crawford, J. (2004). The effect of organizational culture and leadership style on organizational commitment and job satisfaction. A cross national comparison. *The Journal of Management Development*. 23, 321-338.

- Lynn Meek, V. (1992) Organisational culture: Origins and weaknesses. In:Salaman, C.(Ed.) *Human resources strategies*. London: Sage.
- Malhotra, N., Budhwar, P. and Prowse, P. (2007). Linking Rewards to Commitment: An Empirical Investigation of Four UK Call Centres. *International Journal of Human Resource Management*, 18(12), 2095-2128.
- Mathebula, M.R. (2004) Modeling the Relationship between Organizational Commitment, Leadership Style, HRM Practices and Organizational Trust, *Doctoral dissertation, Faculty of Economic and Management Sciences, University of Pretoria*.
- Mathew, J, &Ogbonna, E. (2009). Organizational culture and commitment: a study of an Indian Software organization. *International Journal of Human Resource Management*, 20(3), 654-675.
- Mathieu, J., &Zajac, D. (1990).A review of meta-analyses of the antecedents, correlates and consequences of Organizational commitment.*Psychological Bulletin*, 108(2), 171–194.
- Meyer, J. P., & Allen, N. J. (1991). A three-component conceptualization of organizational commitment. *Human Resource Management Review*, 1, 61–89.
- Meyer, J.P., & Allen, J.J (1997). *Commitment in the Workplace: Theory, Research and Application*. Thousand Oaks, CA. Sage Publication inc.
- Meyer, J. P., Stanley, D. J., Herscovitch, L., &Topolnytsky, L., (2002). Affective, continuance, and normative commitment to the organization: A meta-analysis of antecedents, correlates, and consequences. *Journal of Vocational Behavior*, 61, 20– 52.
- Meyer, J. P., Hecht,T. D., Gill, H.& Toplonytsky, L.(2010). Person–organization (culture) fit and employee commitment under conditions of organizational change: A longitudinal study. *Journal of Vocational Behavior*. 76 , 458–473.
- Moon, M.J. (2000).Organizational Commitment Revisited in New Public Management: Motivation, Organizational Culture, Sector, and Managerial Level. *Public Performance & Management Review*.24, 177-194.
- Morrow, P. C. (1983). Concept redundancy in organizational research: The case work of commitment. *Academy of Management Review*. 8(3), 486-500.

- Morrow, P. C. (1993). *The Theory and Measurement of Work Commitment*, JAI Press Inc., Greenwich, CT.
- Morrow, P. C., & McElroy, J. C. (1986). On assessing measures of work commitment. *Journal of Occupational Behaviour*. 7, 139-145.
- Mowday, R. T., Steers, R. M., & Porter, L. W. (1979). The measurement of organizational commitment. *Journal of vocational behavior*, 14(2), 224-247.
- Mowday, R.T, Porter L.W, Steers R.M., 1982. *Employees organizational linkages: The psychology of commitment, absenteeism and turnover*, New York: Academic Press.
- Meyerson, D., and Martin, J. (1987), 'Cultural Change: An Integration of Three Different Views. *Journal of Management Studies*. 24(6), 623–647.
- Myers, T and Myers, E. (1982). *Managing by communication: An organisational approach*. McGraw Hill Book Company, New York.
- Nakra, R.(2006) Relationship between communication satisfaction and organizational identification: an empirical study. *The Journal of Business Perspective*.10 (2) 41-51.
- Natarajan N. K. &Nagar.D (2011) Effects of Service Tenure and Nature of Occupation on organizational Commitment and Job satisfaction. *Journal of Management Research*. 11, 59-64.
- Nogueras, D. J. (2006). Occupational commitment, education, and experience as a predictor of intent to leave the nursing profession. *Nursing economics*, 24(2), 86.
- Nunnally, J. C. (1978), *Psychometric Methods*, 2nd edition. (New York: McGraw-Hill)
- O' Driscoll, M.P and Randall, D.M. (1999). Perceived organisational support, satisfaction with rewards and employee job involvement and organisational commitment. *Applied Psychology: An International Review*, 48, pp 197-209
- O'Reilly, C. 1989. Corporations, culture, and commitment: Motivation and social control in organisations. *California Management Review*. 31(4), 9 – 25.
- Odom, R. Y., Boxx, W. R., & Dunn, M. G. (1990). Organizational cultures, commitment, satisfaction, and cohesion. *Public Productivity & Management Review*, 157-169.

- O'Reilly, C.A., Chatman, J., And Caldwell, D.F. 1991. People and organizational culture: A profile comparison approach to assessing person organization fit. *Academy of Management Journal*, 34(3), 487 – 516.
- O'Reilly, C., & Chatman, J. (1986). Organizational commitment and psychological attachment: The effects of compliance, identification and internalization on prosocial behavior. *Journal of Applied Psychology*, 71,492-499.
- Owens, R. (2001). *Organisational behavior in education*, 7th edition. Massachusetts: Allyn and Bacon
- Pathardikar A.D.& Sahu S.(2011). Implications of the Organization Cultural Antecedents on Organizational Commitment: A Study in Indian Public Sector Units. *Global Business Review*.1 2(3) ,431–446.
- Peters, T.J and Waterman, R.H. (1982).*In search of excellence: Lessons from America's best run companies*.Harper and Row, New York, NY.
- Pettigrew, A.M. (1979). On studying organizational cultures. *Administrative Science Quarterly*, 24, 570–581.
- Porter, L.W.,Crampon, W. & Smith, F. (1974). Organizational commitment and managerial turnover: A longitudinal study. *Organizational Behavior and Human Performance*, 15, 87-98.
- Porter, L. W., Crampon, W. J., & Smith, F. J. (1976). Organizational commitment and managerial turnover: A longitudinal study. *Organizational Behavior and Human Performance*, 15(1), 87-98.
- Rashid, M. Z. A., Sambasivan, M., &Johari, J. (2003). The influence of corporate culture and organizational commitment on performance.*Journal of Management Development*, 22(8), 708–728.
- Reichers, A. E. (1985). A review and reconceptualization of organizational commitment *.Academy of Management Review*.10, 465–476.
- Ricardo, R. & Jolly, J. (1997).Training of teams in the workplace.*S.A.M Advanced Management Journal*, 62(2), 4.

- Saeed, M & Hassan, M. (2000). Organizational culture and work outcomes: Evidence from some Malaysian organizations. *Malaysian Management Review*. 35(2), 54-59
- Salami, S. O. (2008). Demographic and psychological factors predicting organizational commitment among industrial workers. *Anthropologist*, 10(1), 31-38.
- Schein, E. H. 1985. *Organizational culture and leadership*. San Francisco: Jossey-Bass.
- Schein, E.H. (1990), *Organizational Culture*, *American Psychologist*. 45(2),109-119.
- Smidts, A., Pruyn, A.T.H., & Van Riel, C.B.M. 2001. The impact of employee communication and perceived external prestige on organizational identification. *Academy of Management Journal*.49/5: 1051-1062.
- Somers, M. J. (1995). Organizational commitment, turnover and absenteeism: An examination of direct and interaction effects. *Journal of Organizational Behavior*, 16(1), 49-58.
- Steers, R. M. (1977). Antecedents and outcomes of organizational commitment. *Administrative science quarterly*, 46-56.
- Su, S. Baird, K. & Blair, B. (2009). Employee Organizational commitment: the influence of cultural and organizational factors in the Australian manufacturing industry *The International Journal of Human Resource Management*. 20, 2494–2516
- Tang, T. L. P., Cunningham, P. H., Frauman, E., Ivy, M., & Perry, T. L. (2012). Attitudes and occupational commitment among public personnel: Differences between baby boomers and Gen-Xers. *Public Personnel Management*, 41(2), 327–360
- Tayyab S, Tariq N (2001). Work values and organisational commitment in public and private sector executives. *Pakistan Journal of Psychological Research* 16(3/4), 95-112.
- Tripathi, S. Kapoor, A. & Tripathi N. (2000). Organizational culture and organizational commitment, *Indian Journal of Industrial Relations*. 36, ( 1 ), 24-40
- Tsui, A.S., Wang, H. and Xin, K. R. (2006). Organizational Culture in China: An Analysis of Culture Dimensions and Culture Types. *Management and Organization Review* 2:3 345–376
- Wallach, E. J. (1983). Individuals and organizations: The cultural match. *Training & Development Journal; Training & Development Journal*.



- Wasti, S.A.(2002) Affective and continuance commitment to the organization: test of an integrated model in the Turkish context. *International Journal of Intercultural Relations* 26 ,525–550.
- Xenikou, A., & Simosi, M. (2006). Organizational culture and transformational leadership as predictors of business unit performance. *Journal of Managerial Psychology*, 21(6), 566-579.
- Yavas, U, Karatepe, O.M,Avci .T &Tekinus ,M.(2003) . Antecedants and outcomes of service recovery performance: an empirical study of frontline employees in Turkish banks. *International Journal of Bank Marketing*.21(5),255-265.
- Zain,Z.M., Ishaq,R. &Ghani,K.(2009).The Influence of Corporate Culture on Organisational Commitment: A Study on a Malaysian Listed Company.*European Journal of Economics, Finance and Administrative Sciences*.17, 16-26.

## APPENDIX

### QUESTIONNAIRE

*Part I:*

Please use the following rating scale to indicate the extent to which you agree with the following statements.

1	2	3	4	5	6	7
<b>Strongly disagree</b>	<b>Moderately disagree</b>	<b>Slightly disagree</b>	<b>Neither disagree nor agree</b>	<b>Slightly agree</b>	<b>Moderately agree</b>	<b>Strongly agree</b>

	Statement	1	2	3	4	5	6	7
	<b><i>Affective Commitment Scale items</i></b>							
1	I would be very happy to spend the rest of my career with this organization							
2	I enjoy discussing my organization with people outside it							
3	I really feel as if this organization's problems are my own							
4	I think that I could easily become as attached to another organization as I am to this one .							
5	I do not feel like 'part of the family' at my organization							
6	I do not feel 'emotionally attached' to this organization							
7	This organization has a great deal of personal meaning for me							
8	I do not feel a <i>strong</i> sense of belonging to <i>my</i> Organization.							
	<b><i>Continuance Commitment Scale items</i></b>							
9	I am not afraid of what might happen if I quit my job without having another one lined up.							

10	It would be very hard for me to leave my organization right now, even if I wanted to								
11	Too much in my life would be disrupted if I decided I wanted to leave my organization now								
12	It wouldn't be too costly for me to leave my organization now								
13	Right now, staying with my organization is a matter of necessity as much as desire.								
14	I feel that I have too few options to consider leaving this organization								
15	One of the few serious consequences of leaving this organization would be the scarcity of available alternatives.								
16	One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice — another organization may not match the overall benefits I have here								
	<i>Normative Commitment Scale items</i>								
17	I think that people these days move from company to company too often.								
18	I do not believe that a person must always be loyal to his or her organization								
19	Jumping from organization to organization does not seem at all unethical to me								
20	One of the major reasons I continue to work for this organization is that I believe that loyalty is important and therefore I feel a sense of moral obligation to remain.								
21	If I got another offer for a better job elsewhere I would not feel it was right to leave my organization								
22	I was taught to believe in the value of remaining loyal to one organization								

23	Things were better in the days when people stayed with one organization for most of their careers.								
24	I do not think that wanting to be a 'company man' or 'company woman' is sensible anymore								

**Part II**

**Organisational Cultural Questionnaire**

Below is a list of statements about your organization’s culture. Read each one carefully, then, using the following scale, decide the extent to which you agree or disagree with each statement.

1	2	3	4	5	6	7
<b>Strongly disagree</b>	<b>Moderately disagree</b>	<b>Slightly disagree</b>	<b>Neither disagree nor agree</b>	<b>Slightly agree</b>	<b>Moderately agree</b>	<b>Strongly agree</b>

	<i>Statement</i>	1	2	3	4	5	6	7
<b>Training and Development</b>								
1	Employees are encouraged to accept education and training within the company.							
2	Resources are available for employees’ education and training within the company.							
3	Most employees in this company are trained on how to use quality management methods (tools).							
4	Specific work-skills training are given to all employees.							
<b>Reward and Recognition</b>								

5	This Company improves working conditions in order to recognize employee quality improvement efforts								
6	The company's compensation system encourages team and individual contributions.								
7	Reward and Recognition system within the company rewards relationship and task accomplishments based on work quality.								
8	All suggestions are appropriately rewarded in cash and kind.								
9	Employees' rewards and penalties are clearly communicated.								

	<b>Teamwork</b>								
10	Work within this department is appointed around groups.								
11	I am more comfortable working in a team rather than individually.								
12	In this company, workplace decisions are made through consensus								
13	Other units or departments always cooperate with me when I need assistance.								
	<b>Organizational Communication</b>								
14	Management regularly provides customer/supplier feedback and sets up opportunities for direct, face-to-face meetings between team members and customers/suppliers.								
15	These communication linkages are regularly used to identify process and product improvement.								
16	Continuously improve communications between management and staff is stated as an important company objective and is being practiced								

17	The company employees' communication is effective in communicating things that are relevant to them.							
----	--	--	--	--	--	--	--	--

**Part III**

**Name:**

**Organization:**

**1. Gender**

Male

Female

**2. Marital status**

Single

Married

Other (please specify).....

**3. Please tell us your age (e.g. 28 yrs): \_\_\_\_\_**

**4. Please state your total work experience (e.g. 2years)**

**5. Please tell us your work experience in this organization (e.g. 4 yrs):**

\_\_\_\_\_

**6. Please indicate the number of years of your formal schooling years (e.g. 12 yrs): \_\_\_\_\_**

**7. Where do you place yourself in the managerial hierarchy of the organization?**

Upper level management (e.g Branch manager)

Mid level management (e.g. department managers)

Lower level management

Not in management

**8. Please list your department:**