Building employee commitment: a case study of higher education institutes in Pakistan

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ABSTRACT
This study empirically examines the commitment factors contributing to employee share in Higher Education Institutes of Khyber Pakhtoonkhuwa (KPK) province of Pakistan. In total 200 questioners are distributed out of which 133 are returned in completed form with a percentage of 66.5%. A multiple regression analysis is performed; Employee Commitment is taken as the Dependent variable while Top Management Behavior, Compensation & Benefits, Career Development Opportunities and Working Conditions are the independent variables of this study. The results of this study confirm that employee’s commitment is significantly associated with their independent factors. The results of the study are valuable to both academics and policy makers.

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Introduction
Organization has the four entities; information technology, systems, tasks, and people. People have been the most important asset of an organization. People perform tasks when tasks become complex, we need to organize people into a system so as to accomplish the tasks efficiently. When systems become complicated, we need computers to facilitate the function of the systems. In other words, computers and systems are there to support people in performing tasks (Chen et al., 1996). The same logic holds true for Educational Institutes. Securing the commitment of employees to their organization is in some respects the “Holy Grail” of human resource management (HRM), at least in its “softer” guises (Guest, 1987). This may be pursued in a number of ways, including through team-working techniques, performance appraisals oriented to employee development, highly developed bi-lateral communication processes, employee stock ownership, a commitment to employment security, and forms of union-management “partnership” (Walton, 1985, pp. 48-9). The underlying principle is often mutuality – in terms of goals, influence, respect, responsibility, rewards – with the desired outcome of better employee development and performance (Walton, 1985, p. 64). In this view, workers who feel that the organization is committed to them are likely to have a positive perception of HRM practices and hence be committed to the organization (Eisenberger et al., 1990).

Employees Commitment is determined by a number of factors which can be Individual factors like age, personality etc or organizational factors like Communication, benefits, career development, working conditions etc and non-organizational factors like availability of alternatives job etc. Employees Commitment; Top Management Behavior; Compensation & benefits; Career Development Opportunities; and Working Conditions have been the focus of interest of many studies and there are many studies on Employees Commitment, a great deal of research remains to be done, especially from a multidisciplinary perspective. As Winter and Jackson (2006, p. 432) argue: “it is desirable that researchers adopt a variety of theoretical perspectives to examine work environment conditions that underlie the state of the psychological contract”. Organizational commitment is a multi-dimensional concept (Kuruvilla and Iverson, 1993, Singh & Vinnicombe, 2000) the dimension used in that study is affective commitment, which refers to Top Management Behavior, Compensation and benefits, Career Development Opportunities and Working Conditions. Employee commitment has been viewed as one of the most contested and criticized fields of study (Meyer & Allen, 1991; Price, 1997; Rotenberry & Moberg, 2007; Swailes, 2004). A critical issue for the employee and organization is to understand how to maintain the employee’s commitment (Meyer & Allen, 1997; Hiltrop, 1996; Dick & Metcalfe, 2001; Winter & Jackson, 2006).

Porter et al. (1974, p. 604) define commitment as “the strength of an individual’s identification with and involvement in a particular organization”. A person's commitment toward the organization is “an affective response (attitude) resulting from an evaluation of the work situation which links or attaches the individual to the organization” (Mottaz, 1988, p. 468). Buchanan (1974, p. 53) takes the definition one stage further and describes commitment as being as “partisan affective attachment to the goals and values of an organization, to one’s roles in relation to the goals and values, and to the organization for its own sake, apart from its purely instrumental worth”. Rogers (1995) argues that to be a successful organization, there has to be high degree of employee involvement and commitment. Meyer and Allen (1991) distinguish three types of organizational
commitment: affective commitment – employees’ emotional attachment and involvement in the organization; continuance commitment – continuation of employment inspired by the costs associated with leaving the organization, and normative commitment – obligation to continue employment resulting from externally exerted pressure.

Organizational identification is “the perception of oneness with or belongingness to an organization, where the individual defines him or herself in terms of the organization(s) which he or she is a member” (Mael & Ashforth, 1992, p. 4). Sonnenberg (1991) argues that Employees want to work for companies they can be proud of, which exhibit values and viewpoints similar to their own, and are concerned about long-term goals. According to a study, one factor that may affect job satisfaction is organizational identification or the extent to which an employee identifies with the same goals as the organization (Brunetto & Farr-Wharton, 2002). Pratt (1998) states that identification with the organization can satisfy the individual's holistic need, since organizations provide meaning and help the individual to find a sense in his or her life. Thus, identification concerns the employee as a person, a holistic notion that affects cognition, emotion and behavior. A sense of identification creates a perception by which a member associates with the organization’s goals and values (Miller et al., 2000). He also argues that when a person develops favorable attitudes toward an organization, that person is more likely to be attached to the organization’s values – this suggests a relationship between identification and commitment. (Harris & Cameron 2005), Van Dick et al. (2004) and Mael & Tetrick (1992) found that commitment and identification have a positive relationship. Eisenberger et al (1990) found a positive relationship between employees’ perceptions of being valued and cared about by the organization with: conscientiousness in carrying out conventional job responsibilities.

Commitment to organizations has variously been found to be positively related to organizational outcomes and job satisfaction (Bateman & Strasser, 1984; Mowday et al., 1982), motivation (Mowday et al., 1979) and attendance (Mathieu & Zajac, 1990; Steers & Rhodes, 1978). At the same time commitment has been found to be negatively related to some variables like absenteeism and labour turnover (Cotton & Tuttle, 1986; Clegg,1983).

Managerial support is characterized by several terms routinely connected to trust such as respect, friendship and concern for the needs of the employee (Iversen et al., 1995), Deutsch (1973) argued that personal relationships and feeling of belonging develop cooperative goals, whereas impersonality and interpersonal distance foster competition. Argyris & Schon (1978, 1996) suggested that the extent that managers and employees develop high quality relationships and interact effectively, the more committed and motivated are employees. Some other researchers also have noticed that satisfaction with the leader is an important component of Job Commitment. Frankel and Otazo (1992) point out that coaching is an alternative method of making the satisfactory performance of employees. Unlike progressive discipline and performance appraisals, coaching produces positive results by increasing commitment and motivating employees instead of simply eliciting compliant behavior. Niehoff et al (1990) found that there is a strong relationship between top management’s actions and employees’ attitudes and perceptions. Mathieu and Zajac, (1990) and Price and Mueller, (1986) found that managerial support has been positively linked to high organizational commitment.

Income and commitment are arguably closely related on the bases that income and materialism has a strong connection with employee Commitment (Tolpak and Koc, 2007). This result is even more evident in White's (1981) view that income involves “the promise of pay made against a commitment of work”. In other words, employees express their intention to remain or maintain employment in an organization, by taking up responsibilities and in return, expect organizations to fulfill the promise of transferring the promise into a liquid asset (wage/salary) paid to the employee as a result of the expressed commitment/involvement to work. Thereby creating a bond between the organization and the worker sustained by continues promise of income-earning, which drives employee to express loyalty to their organization (Meyer and Allen, 1991). Wright (1992) also found positive relationship between the incentives and the commitment whereas, Ogba (2008) found that there is a negative relationship between the income and the commitment. Career development is a powerful employee motivator and retention tool, not to mention a competitive strength when it comes to attracting new talent. David et al., (2001), argued that employees want opportunities to change and learn. Many organizations now try to both create knowledge and encourage employees to learn (Bierly et al., 2000; Senge, 1990). Training and development are commonly considered to be different forms of human capital investment for individual and organizational improvements (Wetland, 2003). Jenkins (1998) points out that job dissatisfaction can come from several causes including: no commitment to many variables including talent development. When the training and development needs of employees and employers are met, the more likely employees will stay in their organizations and they are more committed (Bassi and Van Buren, 1999; Sheridan, 1992; Wood, 1999).

Ensuring adequate facilities are provided to employees is critical to generating greater employee commitment. The provision of inadequate equipment and adverse working conditions has been shown to affect employee commitment and intention to stay with the organization (Weiss, 1999). Hiltrop (1996), which suggests that in order to cultivate employee commitment, the firm should design tasks and structures that enable people to feel a sense of accomplishment, to express and use their talents and to make decisions and recognize personal values. Research shows a clear association between an individual's working environment and their experience of good health both psychological and physical (Sutherland and Cooper, 1993). Creating a comfortable and supportive working environment can therefore enhance an individual's sense of well-being. Cunha and Cooper (2002) contend that the consequences of a stressful environment can include physical ill-health symptoms (such as cardiovascular and gastro-intestinal problems) mental ill-health symptoms (such as tension, anxiety and depression) and low job satisfaction. Spreitzer (1996) found that an individual perception of working environment is highly important as it impacts upon the ability of the individual to take control of their work and level of stress in the work place. Employee who feel supported in the workplace has been found to have higher levels of employee commitment (Wayne et al., 1997).

Reviewing the above cited literature, the paper addresses the gap in the literature by using challenging econometric techniques to testify the role of employee commitment in
education institutes of Hazara Division. The study will examine the correlation and multiple regression analysis between the variables. After the introduction and literature review, the paper is further structured as follows. Section 2 shows the hypotheses of the model. Section 3 describes the methodological framework. Section 4 discusses the data analysis and results of the model. Section 5 presents the conclusion and Section 6 shows policy recommendation and possible extensions of the study.

Hypotheses

The overall model tested in this study emphasizes that Employee’s commitment has been related to the Top Management Behavior, Compensation & Benefits, Career Development Opportunities and Working Conditions.

The present study seeks to test the following hypotheses:

H1. There is a positive relationship between Top Management Behavior and organizational commitment.

H2. There is a positive relationship between Compensation & Benefits and organizational commitment.

H3. There is a positive relationship between Career Development Opportunities and organizational commitment.

H4. There is a positive relationship between Working Conditions and organizational commitment.

Research Methodology

This study gathered information through a questionnaire in a large area of Khyber Pakhtunkhwa (KPK) province of Pakistan. The survey was conducted in Hazara University - Manshehra Campus; COMSATS Institute of Information Technology – Abbottabad Campus and University of Engineering & Technology Peshawar - Abbottabad Campus. The sample (n=200) was drawn from the institutes of Hazara Division. One hundred and thirty three questionnaires were returned, giving a 66.5% response rate.

The number of Higher Education Institutes in KPK is relatively small, which don’t allow us to work on large sample. Keeping this in mind utmost care was taken to gather valid data for use in the study rendering it more useful for the analysis. The two page questionnaire consisted of 32 questions, each representing a component of the research model; the questions were selected for their theoretical importance as well as their potential relevance to practice. Virtually all the constructs in the research model were operationalized using standard scales from the literature.

Prior to the distribution of the actual survey, a pilot study involving a sample of 25 people was conducted to validate the content of the questionnaire in terms of relevance, accuracy and wording. The lessons learned from the pilot suggested some changes with respect to the instrument. The appropriate changes were made to the final questionnaire. Individuals were asked to indicate the extent of agreement or disagreement with various statements on a five-point Likert-type scale ranging from (1) strongly disagree to (5) strongly agree. The respondents’ scores for each construct were obtained by summing across all the item scores of the individual variables. The hypothesized relationships among the study variables depicted in the model were tested using multiple regressions. The sample was the permanent employees, directly related to teaching and at least having the post of Lecturers of the Higher Educational Institutes of Hazara Division. The sample was selected using two-stage sampling technique (assigning Quota to institutes and then selecting randomly). Employee Commitment is taken as the Dependent variable while Top Management Behavior, Compensation & Benefits, Career Development Opportunities and Working Conditions are the independent variables of this study. The framework of the study is given in Figure 1.

Figure 1: Research Framework

Data analysis and results

The collected survey data was processed using SPSS-10 and Eviews-5 statistical analysis packages. To reach the research goals, the following methods were employed: the levels of organizational commitment, Top Management, Income, Working Conditions, and Carrier Development were measured by estimating the means of the above variables and their dimensions; the relationship between the above variables was assessed by calculating the correlation.

In order to examine the relationship between Employees Commitment (dependent variable) and their explanatory factors, the employee commitment elements were regressed against the commitment criteria. The general form of the model is as follows:

Level of employee commitment = f (Top Management Behavior, Compensation & benefits, Career Development Opportunities and Working Conditions). The correlation between Employees Commitment and Top Management Behavior; Compensation & Benefits; Career Development Opportunities; Career Development Opportunities and Working Conditions is estimated and presented in Table 1.

The results shows that there is a significant moderate correlation between Employees Commitment and their independents i.e., Compensation & Benefits, Working Conditions and Top Management behavior i.e., r = .344, .352 & .483 respectively. Similarly, the relationship between Career Development Opportunities and Employee Commitment is statistically significant (r=0.508). This implies that an emphasis on increased enhancing the level of qualification of Employees along with the training opportunities is seen as necessary for employee commitment. This result is consistent with the results of previous research (e.g., Chen and Gupta (1993)). The model for the Employee Commitment is selected on the basis of strong diagnostics and high value for the R - squared. The results are presented in Table 2.

The value for the R - Squared in the model for employee commitment relationship is 0.78 which endorses that 78% of the variation in the dependent variable is explained by the independent variables of the model. The 22% variation in the dependent variable remains unexplained by the independent variables of the study. The value for the F-statistic is 19.9 and is significant endorsing the validity and stability of the model relevant for the study.

The incremental regression is performed by removing individual independent variables from the model and by
checking the effect on the value of R-squared. Among all the variables removed, career development has altered the value of R-squared to a highest degree (21% decreases in the portion of the dependent variable explained by independent variables) as the value for the R-squared changes from 78% to 57%. The substantial decrease in the value of the R-squared shows the importance of Carrier Development in the model. This importance is also highlighted in the regression result as the value of coefficient of the variable (0.312) is highest among all the variables. The result is presented in Table 3 below.

Conclusion
This paper provides a theoretical and empirical contribution to the terms of Employees Commitment towards the Top Management Behavior, Compensation & Benefits, Career Development Opportunities, and Working Conditions. More importantly, the majority of previous studies were carried out in western and remote areas settings. The results of the present study indicate that Employees Commitment and their independent variables are somewhat directly related to job satisfaction.

In the context of these findings, this study could be repeated using a larger sample with a wider range of demographic. Future research should be conducted in order to validate the findings of this study. Cross-cultural and cross-industrial studies would be very helpful to analyze the study subject better.

Policy Implications
The main managerial implication of this study refers to the capacity of affection to retain employees in the Higher Education Institutes. When employees trust the Institutes, are satisfied with their job and conditions, and on the whole when they feel that there is flexibility to adapt to changing conditions, that their opinions are valuable and that relevant information is provided, when they do not feel deceived by the Institutes and feel dependent on it, then they will affectively commit to the Institutes and hence will be responsible at work and will desire to continue working in the same Institutes. Dick and Metcalfe (2001) find that there is low commitment when individuals view the organization as unsupportive, have a limited role in decision making and receive little feedback about their job role and performance.

The outcome of this study has important theoretical, practical, and future research implications. Theoretically, this study contributes to existing literature not only on the further conceptualization and measurement of commitment in Education Institutes but also on the study and measurement of commitment a backward area of an non-Western culture. For an academic this study will remain be a good source for support of employee commitment measurement and conceptualization within Educational sector of Pakistan. To practitioners, it is an additional empirical theory on the subject of commitment in a developing economy. A practitioner implication of this study is that Career Development Opportunities is the most important factor employee commitment to their organization.

This knowledge has implications for, and poses greater challenges on, organizational management, demanding an organization to consider its culture, its overall people management strategy and how to effectively keep employees morally, emotionally and continually involved and attached to their organization.

References
pp.503-21.

Table 1: Cronbach’s Alpha Reliability Coefficients

<table>
<thead>
<tr>
<th>Items</th>
<th>Cronbach’s Alpha (r)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management Behavior</td>
<td>0.87</td>
</tr>
<tr>
<td>Compensation and Benefits</td>
<td>0.78</td>
</tr>
<tr>
<td>Career Development Opportunities</td>
<td>0.74</td>
</tr>
<tr>
<td>Working Conditions</td>
<td>0.89</td>
</tr>
</tbody>
</table>

Table 1: Correlation Matrix

<table>
<thead>
<tr>
<th>Variables</th>
<th>Employee Commitment</th>
<th>Compensation &amp; Benefits</th>
<th>Working Conditions</th>
<th>Carrier Development</th>
<th>Top Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Commitment</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation &amp; Benefits</td>
<td>.344**</td>
<td>1</td>
<td>.352**</td>
<td>.508**</td>
<td>.848**</td>
</tr>
<tr>
<td>Working Conditions</td>
<td>.352**</td>
<td>1</td>
<td>.306**</td>
<td>.034**</td>
<td>.452**</td>
</tr>
<tr>
<td>Carrier Development</td>
<td>.508**</td>
<td>.304**</td>
<td>1</td>
<td>.172*</td>
<td>.446**</td>
</tr>
<tr>
<td>Top Management</td>
<td>.848**</td>
<td>.452**</td>
<td>.446**</td>
<td>.351**</td>
<td>1</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level. * Correlation is significant at the 0.05 level.
### Table 2: Multiple Regression Analysis

<table>
<thead>
<tr>
<th>Variables</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management Behavior</td>
<td>0.220</td>
<td>0.068</td>
<td>3.226</td>
<td>0.001</td>
</tr>
<tr>
<td>Compensation &amp; Benefits</td>
<td>0.106</td>
<td>0.057</td>
<td>1.867</td>
<td>0.064</td>
</tr>
<tr>
<td>Carrier Development</td>
<td>0.312</td>
<td>0.061</td>
<td>5.055</td>
<td>0.000</td>
</tr>
<tr>
<td>Work Condition</td>
<td>0.092</td>
<td>0.067</td>
<td>1.843</td>
<td>0.074</td>
</tr>
</tbody>
</table>

Statistics / Test

- R-squared: 0.78
- Adjusted R-squares: 0.65
- Durbin-Watson stat: 2.01
- F-statistics: 19.8
- Prob. (F-statistic): 0.00**

* *, ** represent significant at 5 and 1 percent level.

### Table 3: Results of Incremental Regression: Removing Carrier Development

<table>
<thead>
<tr>
<th>Models</th>
<th>Employee Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-squared (original)</td>
<td>0.78</td>
</tr>
<tr>
<td>R-squared (after the removal)</td>
<td>0.57</td>
</tr>
</tbody>
</table>