

Organizational Commitment: A Review of Conceptual Framework of Three-Component Model

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ABSTRACT:

In today's global market place, organizations must utilize their human resources effectively. In a world where competition is fierce, companies are about to realize that their workforce provides a competitive edge and that employee effectiveness is one of the key factors affecting the organization's success. Thus, it is imperative for organizations to ascertain the variables that impact the efficiency and output of their workforce. One of the many variables that can affect their efficacy is organizational commitment. The most devoted, enthusiastic, and faithful employees are the ones who are least inclined to think of leaving their positions. In this context, the concept of organizational commitment becomes a topic of utmost significance. Hence, in this paper, an attempt has been made to understand the conceptual framework of Organizational Commitment as a three-component model. Initially, Organizational Commitment was viewed as a two-component model i.e Affective and Continuance Commitment, later, another component "Normative Commitment" was added after due research (Allen & Mayer, 1991).

Keywords: Organizational Commitment, Three-component Concept, Affective Commitment, Continuance Commitment, Normative Commitment.

CONCEPT OF ORGANIZATIONAL COMMITMENT

Organizational commitment has been a most discussed research topic over the past 20 years because to its significant impact on worker performance and motivation (Mowday, Porter, & Steers, 1982, Becker, 1992). Commitment is a multidimensional concept and remains one of the most challenging and researched in the fields of management, organizational behavior and HRM (Cohen, 2007). Organizational Commitment is an important concept because it shows its influences of commitment on employees, organizations, and society as a whole. Organizational Commitment escalates the organizational competitiveness and enhances employee's performance.

According to Mc Donald and Makin (2000), commitment is a psychological bond that exists between the organization and its personnel. Organizational Commitment is elucidated as an attitude which relates to individual's mindsets about the organization (Allen and Meyer 1990). Committed employees are individuals who have strong faith in the Organizational aims, who work hard for the well-being of the entire organization and are willing to be the member and part of the organization (Mathews and

Shepherd, 2002). Commitment is the degree of the bond which an individual experiences by identifying themselves with the organization and by completely involving in every project, work, assignment or any duties of the organization (Arnold, 2005).

Organizational Commitment is defined by O'Reilly (1989) as a person's psychological and emotional attachment to their organization, as well as their sense of job involvement, loyalty, and trust in the organization's principles and structure. Organizational Commitment has been conceptualized by some researchers in terms of a psychological attachment (O'Reilly and Chatman, 1986), while others have demonstrated organizational commitment with aspects such as rewards and costs one associates with their current employment (Meyer and Allen, 1991). By keeping into consideration the working norms of the organization, commitment can be characterized as employee's acceptance of their organizational goals and willingness to put best & extra efforts (Miller & Lee, 2001).

Involvement of the employees in the job-related activities and their connection to the workplace where they are working refers to Organizational Commitment. Porter et al (1974) defines, "organization commitment refers to fondness of employees towards organization characterized with an intention to remain as a member and willingness to contribute towards the organizational objectives and exerting their best efforts to meet those objectives". Employees with high organizational commitment accept their organizational objectives as their own and feel that they are part of the organization and exhibit positive & emotional bond towards it.

Mowday, Porter, and Steers (1982) researched that the positive connection between individuals and their organization leads to good results for individuals, organizations, and society i.e. high level of employee commitment towards organization leads to better performance of individuals, organizations and society at large. Thus, commitment acts as a bridge between employees and their organizations which means high level of commitment makes the employee involved and devoted to their organization.

Organizational Commitment may be identified with other work-related attitudes, such as job satisfaction & motivation. Organizational Commitment may be explained as an employee's feeling towards their job, and as the magnitude of an individual or an employee's feeling of 'oneness' within their organization which can be identified with the efforts that they put in for their organization. Since it affects the dedication of workers, organizations, and society at large, organizational commitment is a crucial idea. Using the intrinsic and extrinsic rewards that are pertinent to the organization, employees can reap the benefits of their devotion. "A tendency to 'engage in consistent lines of activity' based on the individual's recognition of the 'costs' associated with discontinuing the activity" is how organizational commitment is defined. In order to better grasp the various facets of connected dimensions, research studies from various dissertations, journals, magazines, abstracts, books, newspapers, and online resources have been reviewed for this purpose.

DIMENSIONS OF ORGANIZATIONAL COMMITMENT

Studies conducted during the commitment era saw organizational commitment as a single dimension that was founded on an attitude viewpoint (Porter, Steers, Mowday and Boulian, 1974). An employee's psychological (affective) or emotional bond with the company in connection to his identification and

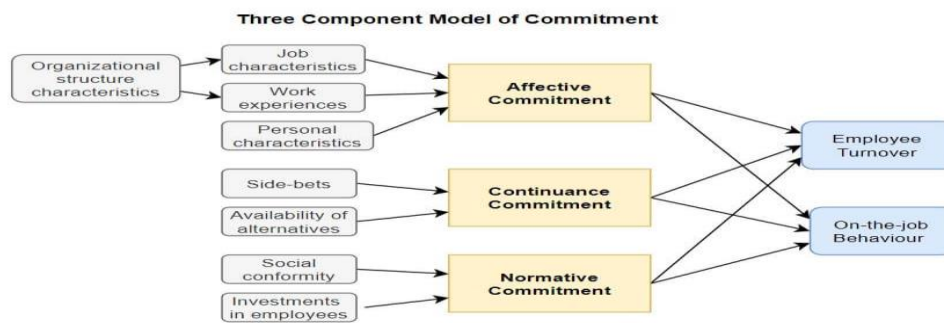
involvement is referred to as his attitudinal perspective (Porter et al., 1974). Employees who are committed to the organization take into account how much the goals of the organization align with their own beliefs and objectives. Therefore, the coherence between a single person and the organization is thought to constitute organizational commitment.

Studies conducted later in the middle commitment era provided a behavioural perspective on the idea of organizational commitment. The "exchanged-based" or "side-bet" approach was thought to provide an additional viewpoint on organizational commitment (Becker, 1960). This viewpoint holds that people are loyal to their organizations because they are interested in the hidden investment they have made by continuing to support them. According to Becker, when expenses mount over time, employees gradually stop supporting their membership in the organization.

Although, the findings based on this approach were not significant in terms of behaviour outcome relationship and commitment in work place. Therefore, other schools of theories related to commitment based on psychological attachment were suggested by researchers. Modern Commitment era studies portrayed organizational commitment as a multi-dimensional perspective. O'Reilly and Chatman Model (1986) argued that the psychological attachment of an employee is predicted by three factors namely Compliance with extrinsic rewards, Identification with the organization and Internalization of Organizational goals and values.

In the modern commitment era, Meyer and Allen (1984) made noteworthy contributions to the dimensions of organizational commitment. Initially, they believed that organizational commitment had only two dimensions: affective commitment and continuity commitment. However, later on, following additional research, they introduced a third dimension: normative commitment.

Figure-2.1 Allen & Meyer Three-Dimensional Model of Commitment



AFFECTIVE COMMITMENT

It is described as an employee's emotional connection, sense of self, and level of commitment with the company and its objectives (Mowday et al., 1979, Meyer et al., 1993; O'Reilly and Chatman, 1986). According to Meyer and Allen (1997), employees' decision to stay a member demonstrates their loyalty to the company. There are workers that clearly believe in and embrace the objectives and core values of the new company. These workers also put in a lot of effort and show a strong desire to stick with the new organisation. This type of dedication to the organisation is referred to as affective commitment by Meyer and Allen (1997).

Meyer and Allen (1984) defined their first dimension, Affective Commitment, as “employee’s strong positive feelings of identification with, attachment to and involvement in the work organization”. Affective Commitment explains how much employees emotionally want to stay with their organization. As a result of emotional attachment that an employee experiences with the organization, it becomes almost natural for the individual to enjoy continuing membership in the organization. It means that if employees are affectively committed to their organization, then they want to stay at their organization for longer period. The employees with high level of affective commitment enjoy the relationship with the organization and typically identify the organizational goals as their own, feel that they fit into the organization and are satisfied with their work.

Affectively committed employees feel valued, act loyal for their organization and are generally great assets for organizations as ambassadors. Employees with affective commitment stay with the organization as they feel that their personal employment relationship as identical with the goals and values of the organization. They feel that the magnitude of affective Organizational Commitment is influenced by the extent to which their individual's needs and expectations are matched by their actual experience about the organization. An organization can foster affective commitment of their employees by numerous rewards like job autonomy, supervisory support, distributive justice, co-worker support, job security, promotional chances and legitimacy. At the same time, role ambiguity, routinization, role conflict, pay as well as job hazards can hinder affective commitment of the employees.

Affective commitment is the value rationality based Organizational Commitment, which measures the degree of value congruence between an employee as organizational member and an organization as a whole. Affective Commitment primarily shows an emotional tie with the organization that develops because of positive work experiences.

Figure- 2.2

Meyer and Dunham Commitment Model



CONTINUANCE COMMITMENT

According to Muhammad (2012), it refers to an employee's desire to stay with a company due to their "nontransferable" investment in the company. Retirement benefits, connections with coworkers, and things special to the company are examples of nontransferable investments in an organization (Reichers, 1985). Moreover, organization-specific elements like the employee's length of service or potential perks are included in the commitment to continuity (Reichers, 1985). According to Meyer and Allen (1997),

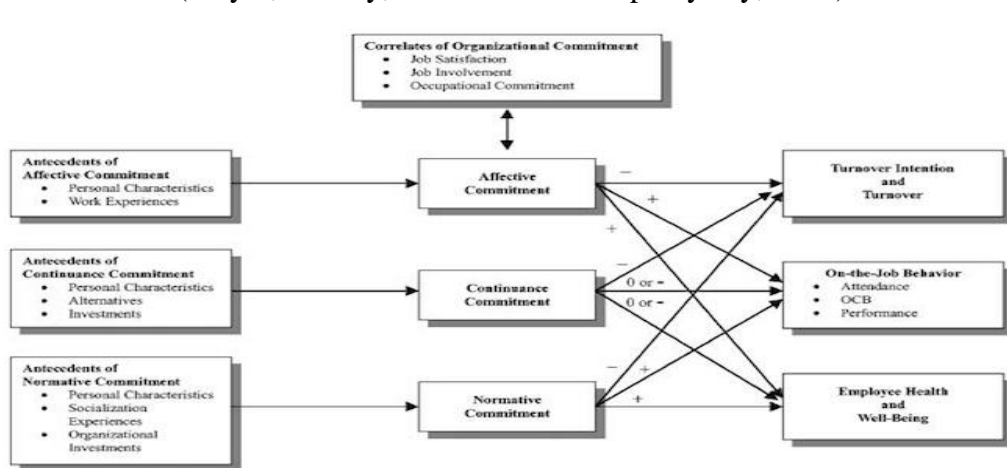
when an employee shares a continuous commitment with their employer, it becomes increasingly difficult for them to leave the company. As a result, this group of workers stays with the company because they have no other options for employment rather than out of loyalty or intrinsic convictions.

Continuance Commitment is considered a passive commitment as it is the extent to which employees feel committed to the organization because they are aware of the fact that it would lead to some cost if they would leave the organization. Employees who are continually committed to the organization remain in an organization because of personal investment. The employees have non-transferable investments which are unique to a particular organization, years of employment in a particular organization, engagement in the community. They also feel that virtues such as close working relationships with co-workers, retirement investments and career investments, acquired job skills other benefits make it too costly for them to leave and seek employment elsewhere.

Continuance committed employees make an assessment as to whether the costs of leaving the organization are greater than the costs of staying in the same organization. Individuals who perceive that the costs of leaving the organization are greater than the costs of staying remain in the same organization by exhibiting continuance commitment because they need to. Employees have a high level of continuance commitment, stay with an organization because they feel that they must stay as they have lack of work alternatives and remuneration if they quit. In continuance commitment, employees underlying reason for their commitment lies in the need to stay with the organization which can, on one hand, be because of quitting the job may lead to an unacceptable length of unemployment or, on another hand, be losing a certain degree of status working with a reputed organization.

An employee, in continuance commitment, weighs the pros and cons of leaving the organization. The perceived cons like their salary and fringe benefits won't improve if they move to another organization, non-supportive co-workers; working with reputed firm make them remain in the organization. Their underlying reason to stay in the organization may be either monetary, professional or social which often increases with age and experience. Employees who are continuance committed may become dissatisfied or disengaged with their work and yet, are unwilling to leave the organization.

Figure-2.3 Three- Component Model of Organizational Commitment
(Meyer, Stanley, Herscovitch & Topolnytsky, 2002)



NORMATIVE COMMITMENT

Normative commitment holds that a person only acts in a commitment-worthy manner towards an organization because they feel it is the morally, ethically, and ethically correct thing to do. For instance, if a person receives training from the corporation, they can feel obligated to pay back the loan. It results from a sense of duty to stick with a company (Prabhakar and Ram, 2011). "Generalized value of loyalty and duty" is what Wiener (1982) defined as the source of such a sense of obligation. An individual's inherent inclination to stick with and be devoted to institutions like family, marriage, country, religion, and place of employment stems from cultural socialization that sets a high value on such qualities.

Meyer and Allen (1984) referred normative commitment as an employee's feelings of obligation to remain with the organization. Normative commitment is a commitment in which an employee feels committed due to the legal boundary. Employees with normative commitment feel that they have an obligation to remain in the organization because they feel they ought to. In normative commitment, employees feel that organization have invested they valuable time and resources on the employee or leaving the organization in particular circumstances may be pressure to co-workers or superior, so it is his/her duty to remain in the organization.

Normatively committed employees, in general, feel bad about the prospect of quitting and believe that leaving would have a negative impact on both the company and themselves. Individuals may have many motivations for feeling guilty, but frequently, it stems from a fear that if they left the company, their knowledge or talent would become obsolete, placing more burden and stress on their coworkers. Employees in organizations may perform worse as a result of these emotions. Employees with Normative Commitment stay with their companies because they think they should.

The employee feels a sense of obligation to the organization, even if the employee is unhappy in the role given, or even if an employee wants to pursue a better opportunity, he/she still remain in the organization as a sense of obligation in normative commitment and feel it is the right thing to do. This sense of obligation can root from several factors like organization has invested money or time in their training or perhaps it provided a reward in advance, such as monetary advances or new job roles.

CONCLUSION

Organizational Commitment has positive association with organizational productivity. It is affirmed that organizations with strongly committed employees will have effectiveness in terms of high production which can lead to relatively low levels of absenteeism and turnover, and can subsequently result in high levels of operating organizational performance. Several research scholars proved that organizational performance and productivity can be increased with the help of organizational commitment. Committed employees stay in their organization and work hard in performing the tasks with positive attitude. Research shows that committed employees achieve higher organizational performance and are less likely to move from their organization. The level of organizational commitment is also affected by how employees observe their performance in the organizations. Hence, employee's organizational commitment can significantly improve the organization's performance.

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