

A New Look at the Antecedents and Consequences of Organizational Commitment: A Conceptual Study

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Abstract

Commitment is said to be one of the most widely researched topic in the area of Organizational Behavior. Various desirable consequences come to pass as results of commitment. Commitment has also been linked to performance but this has been found to be one of the most under-researched variables linked to it. Another variable that has not been researched vis –a- vis commitment is competence. This article addresses these gaps and has tried to relate both performance and competence to commitment. Specifically, this article has focused on continuance commitment. This article has been divided into various sections. The first section is a literature review on commitment. The second section discusses competency, what it means, and a resource based view of competencies has been discussed. Finally a link between competency and commitment and between commitment and performance has been established. Two propositions have been put forward to this end. The article concludes with a brief discussion on implications for research and practice.

Introduction

A lot of researchable attention has been paid to work-related commitment because of the potential benefits of the organization and individual. Committed employees are marked by their loyalty and as productive members of their work organizations (Porter, Steers, Mowday & Boulian, 1974). Such employees identify with organizational goals and organizational values (Buchanan, 1974). Therefore, a wide array of desirable behavioral outcomes has been linked to work-related commitment including employee retention, attendance, work quantity, work quality, and personal sacrifice on behalf of the organization (London, 1983; Rabinowitz & Hall, 1977; Randall, 1990). One variable that remains under-researched in commitment is job-performance (Randall, 1990). Somers & Birnbaum (1998) are of the view that, studies of the commitment-performance relationship that are available have been hampered by a limited conceptual frame. Similarly, fewer studies have looked into competencies and commitment. This study takes a Resource Based View of competence and tried to relate it to commitment. Finding a research gap in the relationship between continuance commitment and performance, this article has tried to fill this space.

Organizational commitment: A Definition

Commitment to the organization is defined as an attitudinal variable characterized by an enduring psychological attachment. Two widely studied forms of organizational commitment have been proposed (Mathieu & Zajac, 1990). The most accepted form of commitment casts this variable as an affective or emotional attachment to an organization that includes acceptance of organizational values and a desire to remain with the organization. The affective attachment approach is perhaps best represented by the work of Porter, Steers & Boulian (1974) and Mowday Steers & Porter (1979) who defined organizational commitment as the “relative strength of an individual’s identification with and involvement in a particular organization” (Mowday, et al, 1979, p. 226).

The second approach is about recognition of costs associated with leaving the organization based on Becker's "side bet" theory (Becker, 1960 cited in Allen & Meyer, 1990; Meyer, 1997). A third approach which is less common but equally viable approach has been to view commitment as a belief about one's responsibility to the organization. Weiner (1982, p. 471) defined commitment as the "totality of internalized normative pressures to act in a way which meets organizational goals and interests", and suggests that individuals exhibit behaviors solely because they believe it is the "right" thing to do (p.421). Common to these perspectives 'is the view that (a) characterizes the employee's relationship with the organization, and (b) has implications for the decision to continue membership in the organization (Meyer & Allen, 1991, p.67). Thus regardless of the definition, committed employees are more likely to remain in the organization than are uncommitted employees. What differs is the nature of the psychological state being described (Meyer, 1997).

Earlier Research in Commitment: Its Antecedents, Correlates And Consequences

Considerable research has been conducted to investigate the development of commitment. The various antecedents of commitment that have been studied are personal characteristics such as age, sex, education, marital status, position tenure, organizational tenure and perceived personal competence. The other antecedents that have been studied widely are job characteristics such as skill variety, task autonomy, challenge, job scope, group/leader relations such as group cohesiveness, task interdependence, leader communication, and participative leadership. Organizational characteristics such as organization size and organizational centralization have also been studied extensively in organizational behavior research. Several outcomes have been looked into in the study of commitment as well, for example, withdrawal behaviors.

As an antecedent, Organizational Commitment (OC) has been most often used to predict withdrawal behaviors. The results of the meta-analyses illustrate that OC correlates positively with commitment and negatively with lateness and turnover and intention to leave (Mathieu & Zajac, 1990). A lot of research also went into the understanding the link between satisfaction and commitment. Mathieu (1991) found that general satisfaction had the strongest direct effect on commitment, and that all other variables with the exception of achievement motivation, and had only indirect effects. Studies have also looked into the job satisfaction-commitment relationship. Bateman & Strasser (1984) found that commitment is a causal antecedent to satisfaction. This finding was not supported in a time-lagged investigative study by Curry, Wakefield, Price & Mueller (1986). Mathieu (1991) found that general satisfaction, when measured in place of satisfaction with training, had the strongest direct effect on commitment, and that all other variables with the exception of achievement motivation, had only indirect effects. Finally, from the various meta-analytic findings it is known that commitment and satisfaction are highly related but may or may not be causally connected.

Performance And Competencies: Can They Be Related To Commitment?

Performance and competence are two key words that attract the attention of CEOs, organizational behavioral scientists, management researchers, consultants and business schools today. The available data on organizational performance suggest that performance is the only criteria for organizational survival and growth. Non-performing organizations are disappearing from the market at the same speed at which the performing organizations are growing. In short there is no other option other than to perform (Jomon, 2003).

In order to remain in the race for survival organizations have to have certain competencies. A good number of organizations have succeeded in building some of the competencies into the person of the organization like vision-mission competency, structure-role competency, strategizing competency etc. All the non-value adding and non-competency building processes are being removed from the business processes on a war-foot speed (Jomon, 2003).

The impact of such a situation has many repercussions on employees working in organizations in various roles. A good number of employees who were considered as assets until yesterday have become liability since indicators for performance have changed from impression creating routine management to hard core competencies for achieving definite goals. Hard work, loyalty, subordination etc are no more the criteria for effective performance. Organizations today want employees who can perform and deliver goods. However loyal or hardworking, non-performing employees have no slot in organizations today. Core competencies to perform the given role are of paramount importance today (Jomon, 2003). What then are competencies?

Competencies

Skill is ability at work or other situations. Competencies are underlying principles that are required to exhibit abilities in work and other life situations. Knowledge, skill and attitude together constitute competency (Jomon, 2003).

A competency is an underlying characteristic of an individual that is causally related to criterion-referenced effective and /or superior performance in a job or situation. Underlying characteristic means the competency is a fairly deep and enduring part of a person's personality and can predict behavior in a wide variety of situations and job tasks. "Causally related" means that a competency causes or predicts behavior and performance. Criterion-referenced means that competency actually predicts who does something well or poorly, as measured on a specific criterion or standard.

Underlying Characteristics

Competencies are underlying characteristics of people and indicate "ways of behaving or thinking, or generalizing across situations, and enduring for a reasonably long period of time."

Spencer & Spencer (1993) identified five types of competency characteristics

1. Motives. The things a person consistently thinks about or wants that cause action. Motives 'drive, direct, and select' behavior toward certain actions or goals and away from others.
2. Traits. Physical characteristics and consistent responses to situations or information.
3. Self-concept. A person's attitudes, values, or self-image.
4. Knowledge. Information a person has in specific content areas.
5. Skill. The ability to perform a certain physical or mental task. Mental or cognitive skill competencies include analytic thinking (processing knowledge and data, determining cause and effect, organizing data, determining cause and effect, organizing data and plans) and conceptual thinking (recognizing patterns in complex data).

The type or level of a competency has practical implications for human resource planning. Spencer & Spencer (1993) have presented an iceberg model of what they call 'central and surface competencies' (Spencer & Spencer, 1993, p. 11). Knowledge and skill competencies tend to be visible and relatively surface characteristics of people. Self-concept, trait, and motive competencies are more hidden "deeper" and central to personality. Surface knowledge and skill competencies are relatively easy to develop; training is the most cost-effective way to secure these employee abilities. Core motive and trait competencies at the base of the personality iceberg are more difficult to assess and develop; it is most cost-effective to select for these characteristics.

The concept of competence or competency ('competence' generally refers to functional areas and 'competency' to behavioral areas but usage is inconsistent) dominated the management strategy literature of the 1990s, which emphasized 'core competence' as a key organizational resource that could be exploited to gain competitive advantage (Delamare Le Deist & Winterton, 2005). Hamel and Prahalad (1994) defined core competence as 'the collective learning in the organisation, especially how to co-ordinate diverse production skills and integrate multiple streams of technologies' (Prahalad and Hamel, 1990: 82). From the perspective of a resource-based theory of the firm, sustained competitive advantage is seen as deriving from a firm's internal resources if these can add value, are unique or rare, are difficult for competitors to imitate and are non-substitutable. The virtue of the core competence approach is that it 'recognizes the complex interaction of people, skills and technologies that drives firm performance and addresses the importance of learning and path dependency in its evolution' (Scarborough, 1998, pp.229 as cited in Delamare Le Deist & Winterton, 2005).

Some scholars find it paradoxical that, while management strategists were emphasizing competences that are unique and firm-specific, the HRD literature was more concerned with developing highly transferable generic competences that are required for most jobs or particular occupations or job roles (Delamare Le Deist & Winterton, 2005).

There is an inherent tension between the strategy and Human Resource Management approaches. If concentrating on core competencies that are 'distinctive and specific to each individual organization' is what gives competitive advantage, the scope for generic competence frameworks is limited, rigid adherence to a generic list for managers of a small firm may undermine the very things that have led to its current success (Delamare Le Deist & Winterton, 2005).

Nordhaug (1998) is of the view that, human capital theory has paid a lot of attention to technology related firm specificity, the logic being that the presence of locally unique technical equipment and routines in firms requires firm-specific skills to be developed among employees. What has largely been overlooked in this literature is the fact that firm-specific competencies do not necessarily have to be linked to the execution of concrete work tasks related to technology and routines that are unique to the firm. Hence there has been a strong focus on generating task-specific competencies in order to create maximum fit between competences and work tasks. However, when taking into account the increased demands for flexibility and readiness for change facing most contemporary organizations, Nordhaug (1998) suggests the need to devote additional attention to non-task-specific competencies and their significance for efficacy and competitiveness. This attention is paramount if the focus is to be shifted from needs for static fit in organizations to needs for dynamic adjustment to frequently changing external conditions. He further contends that it is crucial to pay attention to the broad and important class of firm-specific competencies that are not connected to single tasks. Many types of competencies are not tied to the technology of the firm but to such organizational aspects as political processes, organizational culture and interpersonal networks that are, by definition, firm specific. Consequently, one needs to complement the notion of technology-related firm-specific competencies, that is, firm-specific competencies that are non-task-specific.

In research on managerial work, a standard approach has been to break managerial jobs down to critical skills that have to be mastered if high performance is to be achieved (Boyatzis, 1982). Probably the most widespread typology includes three types of skills (Yulk, 1989). Technical skills comprise knowledge about methods, processes, and techniques designed to conduct a specialized activity as well as the ability to use tools and operative equipment related to this activity. Interpersonal skills embrace knowledge about human behavior and interpersonal processes, empathy and social sensitivity, ability to communicate and cooperative capabilities. Finally, conceptual skills include analytical capacity, creativity, efficiency in problem solving, and ability to recognize opportunities and potential problems (Nordhaug, 1998). A quadrifold version of the typology, consisting of conceptual, technical, human and political skills involve the ability to work with, understand and motivate others, while political skills include the ability to build a power base and establish favorable network contacts.

Competencies and Organizational Commitment

Nordhaug (1998) also provided a classificatory framework for competence specificities. According to him, “when task specificity is high, competences are tied to one single work task or very few tasks, and are irrelevant for the execution of other tasks” (p. 12). Similarly if a competence can be used in one firm only, it is firm-specific and, by definition has no potential value for other employers. All competencies that are not firm-specific are general or non-specific and can be sold in external labor markets. Firm-specificity is thus fundamentally different from the dimension of task-specificity in that it is defined relative to an element of the external environment of the firm. Specifically, human capital theorists suggest that since firm-specific skills are non-transferable, the value of any employee’s human capital will be less with any other firm, and internal development will be less likely to result in a capital loss (Becker, 1976 as cited in Lepak & Snell, 1999). Moreover it is generally assumed that high proportions of firm-specific competencies in the firm’s labor force lead to long-term contractual arrangements between employees and employers, since an enduring relationship is then normally in the interest of both the parties (Mitchell & Zaidi, 1990).

From the above discussion, we suggest that since firm-specific competencies can be used in one firm only, the individuals in these firms will also possess specific competencies which they would find it difficult to sell outside the firm in question and therefore continue to be committed to the firm.

Elaborating on the second approach of organizational commitment, continuance commitment is viewed as a tendency to “engage in consistent lines of activity” (Becker, 1960, p.33, cited in Allen & Meyer, 1990) based on the individual’s recognition of the costs (or lost side bets), which includes perceived loss of personal investments and limited employment alternatives, associated with discontinuing the activity. This approach is in line with cognitive-continuance commitment of Kanter (1968) as that which occurs when there is ‘a profit associated with continued participation and a cost associated with leaving. For Stebbins (1970), continuance commitment is ‘the awareness of the impossibility of choosing a different social identity...because of the immense penalties in making the switch’ (p. 527).

This brings us to our first proposition:

Proposition 1: Individuals having competencies specific to the firm which are not widely saleable will relate positively to continuance commitment

Organizational Commitment and Performance

One variable that remains under-researched vis-à-vis commitment is job performance (Randall, 1990). Examined across its various work-related foci, commitment has not been consistently related to individual job performance which has led to some modification of the general hypothesis that commitment is positively related to performance in work organizations. More specifically, studies of the job commitment-job performance hypothesis have yielded some findings in the predicted direction, but results were spotty and relationships were modest (Rabinowitz & Hall, 1977). A meta-analysis indicates that affective commitment to the organization is positively related to job performance (Mathieu and Zajac, 1990), but it has also been noted that there were exceptions (i.e. non-supportive results) to this overall finding (Randall, 1990).

Advances in commitment theory have also led to modification of the hypothesis that all forms of organizational commitment are positively related to job performance. Because continuance commitment reflects perceived sunk costs in an organization rather than the close emotional ties characteristic of affective commitment to the organization, Meyer, Paunonen, Gellatly, Goffin, & Jackson (1989) hypothesized that continuance commitment to the organization is negatively related to job performance. Differential relationships between affective and continuance commitment to the organization and job performance were observed in two studies (Konovsky & Cropanzano, 1991; Meyer et al., 1989), but this hypothesis was partially disconfirmed in two others. Hackett, Bycio and Hausdorf (1994) found that affective commitment to the organization was positively related to job performance but that the relationship between continuance commitment to the organization and performance was nonsignificant. Similarly, Mayer and Schoorman (1992) also reported a nonsignificant relationship between continuance commitment to the organization and job performance.

The nonsignificant relationship between continuance commitment and job performance may be due to the context in which they have been studied. As indicated by Mathieu and Zajac (1990) in their meta-analysis of organizational commitment, a greater number of studies need to be conducted with employees sampled from a variety of organizations. While there are studies on comparison of private and public sector managers regarding their job characteristics and organizational commitment (e.g. Mayer and Schoorman, 1992), there are no such studies on job performance and commitment.

Baldwin (1987) identified some of the distinguishing characteristics of public sector organizations. He proposed that in comparison to the private sector, public sector organizations have: (a) vague, unclear, or ambiguous goals and objectives; (b) more frequent leadership turnover; and (c) relative job security for tenured employees (p. 181). He suggested that in an effort to make politically efficacious decisions, public officials will often agree on goals that are ambiguous and conflicting. Also, public sector organizations have fewer quantitative indicators of demand and fewer performance measures that enhance the clarity of goals (p. 182). It seems logical that these environmental distinctions might affect the relation between continuance commitment and performance in different ways. For example, because of this relative job security for tenured employees, there may be a positive relationship between continuance commitment and performance in the public sector, but may not even have a significant relationship or even a negative relationship in the private sector.

Hence it is proposed that

Proposition 2: Sector will moderate the relationship between continuance commitment and performance.

Implications for Research and Practice

Studies on the consequences of commitment abound. Affective commitment is said to have its own set of positive consequences. Most of the previous studies show and as the definition suggests, continuance commitment occurs when employees have no better place to go. Moreover continuance commitment does not have many positive outcomes such as job satisfaction in its baggage to stake a claim in the organization. Hence most organizations expect affective commitment from their employees. There could be two implications for the suggested propositions above: When work starts to become monotonous and skills become outdated, employees feel they have no other options left but to stay in the present organization for the rest of their lives. Furthermore, even within the organization, performance may not be the top most priority for such employees.

Previous research has shown, providing training and development opportunities to employees lead to job satisfaction since it gives them an opening for career development and perceive that they are wanted in the organization. Hence continuous upgrading of employees' skills should be lined up for employees with many years of experience.

Recently, organizations are concerned with high rate of attrition of trained employees. It could be suggested that since managers are using their present organizations to acquire saleable skills which they then use to get a better job, one of the ways to stop this is to offer firm-specific skills. In this way, the trained employee may not immediately leave the organization and therefore do his/her best with the present organization.

As far as research is concerned, data can be collected from both the private sector and the public sector in order to understand if sector indeed makes a difference in the relationship between continuance commitment and performance.

Finally, this research brings to light some of the variables that could affect commitment which have not been delved into in previous research.

Conclusion

Various studies have found that continuance commitment to the organization is unrelated to job performance (Somers & Birnbaum, 1998). These studies are of the view that this could be due to the fact that not enough studies of continuance commitment to the organization with measures that are not confounded with affective commitment to the organization are available to reach a definite conclusion about its relationship with job performance. The contribution of this study is that there could be a possible moderator affecting the said relationship and that sector could be the possible moderator. This study also looked at competencies specific to individuals because of the firm-specificity may also lead to continuance commitment. This aspect too has not been investigated earlier. Though at the theoretical level, this study could be an eye opener as to why organization should promote affective commitment and that organizations should probably diversify in order not to promote continuance commitment.

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