

The Impact of Organizational Commitment on Job Involvement of Bank Managers in Sri Lanka

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Abstract

Organizations are fast realizing that work-related behaviours of leaders play a vital role in organizational success. The purpose of this study was to investigate the effect of organizational commitment on job involvement of bank managers in Sri Lanka. Based on the literature a conceptual model was developed. The study adopted research instruments that have already been validated. A total of two hundred commercial bank managers were selected for the study using the convenience sampling technique and one hundred and sixty three usable questionnaires were returned. The model was tested with the measurement model and the structural model analysis by using Partial Least Square technique (PLS). The structural model analysis results provided the support for all hypotheses formulated in this study. Thus, the higher the levels of organizational commitment of bank managers, the higher the levels of their job involvement and their job satisfaction. Further, the higher the levels of job satisfaction of bank managers, the higher levels of their job involvement.

Keywords: job involvement, job satisfaction and organizational commitment.

Introduction

It is necessary to enhance the proper work-related attitudes of employees which is a must for each organization since it has a direct impact on organizational success (Robbins & Judge, 2009). A number of studies supported that favourable work-related attitudes is a must for every organization since it affects each and every part of the organization internally as well as externally (Pfeffer, 1994; Little & Dean, 2006). Employee attitudes play a fresh and important role in determining and strengthening the good relationship between the employees and customers. Further, employees who are highly satisfied with their jobs are less likely to leave the organizations and also reduce their absenteeism (Robbins & Judge, 2009).

There are very limited work-related attitudes identified by the scholars such as job satisfaction, job involvement, and organizational commitment (Robbins & Judge, 2009). Job satisfaction is favourable or positive feelings of employees towards their jobs and it shows how the employees feel about different aspects of their jobs (Robbins & Judge, 2009; Spector, 1997). Organizational commitment was defined as a psychological state that characterizes an employee's relationship with an organization and it has implications for the

decision to continue membership of the organization (Meyer & Allen 1997). Job involvement is defined as a cognitive or a belief state of psychological identification with a particular job. The people with higher job involvement genuinely care for and are concerned about their work (Kanungo, 1982).

Organizational commitment is like an affective bond with the employees and their organizations; a strong belief in and acceptance of the organization's goals and values; a willingness to exert considerable effort on behalf of the organization; and a strong desire to maintain membership in the organization (Mowday, Porter, & Steers, 1982) and it has an inverse relationship with turnover intentions (Porter *et al.*, 1974). In addition, organizational commitment leads to achieve a higher level of competitive position (Robbins & Judge, 2009). Further, Organizational commitment has an impact on several areas of the organization including internal areas as well as external areas.

Employees who have less commitment to their jobs and organizations are more likely to have higher absenteeism and turn over while more committed employees have a positive impact on the organization since they could reduce organizational costs (Mowday *et al.*, 1982). On the other hand, job involvement is an outcome of psychological commitment to an organization (O'Reilly and Chatman, 1986). They also argued that job involvement is included in the category of independent variables that are relevant to organizational commitment. They further averred that employees who display high levels of organizational commitment and job involvement may be the least likely to engage in voluntary turnover. Thus, job involvement is considered as the favourable organizational implications which support to achieve the organizational goals and lead to enhance efficiency and productivity (Brown, 1996). Job involvement is considered as an important employee attitude since it enhances the desired behaviors including job satisfaction and positive motivation (Schultz & Schultz, 1994). Also Robbins and Judge (2009) stated that employees with a high level of job involvement strongly identify with and really care about the kind of work they do.

McGregor (1960) saw that job involvement leads to enhance productivity and to create work situations which lead to better integration of individual and organizational goals. Providing more challenging and demanding jobs to the employees lead to increase productivity in the organizations. Moreover job involvement leads to an individual's satisfaction while increasing the organizational productivity. Rabinowitz and Hall (1977), in their review of literature on job involvement, found that individual characteristics such as age, education, sex, tenure, need strength, level of control and values were linked to job involvement. Further they stated that certain types of jobs or characteristics of the work situation influence the degree to which an individual becomes involved in his or her job.

The banking sector is one of the foremost sectors in any country to boost the economy of any country. The banking sector of Sri Lanka is one of the leading sectors in the financial sector and it plays a vital role in country's development. Sri Lankan commercial banks today have become much more demanding as well as complex and ambiguous places of work. The

managers are expected to show their worth through proper work-related attitudes. However, research to identify the impact of organizational commitment on job involvement is very limited. Thus, an attempt was made in this research to investigate the impact of organizational commitment of managers on their job involvement in order to fill the empirical gap in this area.

Research Objectives

The objectives of the present study are as follows;

1. To investigate the effect of organizational commitment on job satisfaction of managers in the banking sector in Sri Lanka.
2. To investigate the effect of job satisfaction on job involvement of managers in the banking sector in Sri Lanka.
3. To investigate the effect of organizational commitment on job involvement of managers in the banking sector in Sri Lanka.

Literature Review

Organizational Commitment

Robbins (2003) defined organizational commitment as the degree to which an employee identifies with his or her employment. Organizational commitment has an impact on several areas of the organization including internal areas as well as external areas. Employees who have less commitment to their jobs and organizations are more likely to have higher absenteeism and turn over while on the other hand more committed employees have a positive impact on the organization since they could reduce organizational costs (Mowday *et al.*, 1982).

Organizational commitment refers to attachment of employees to their organization and it is considered as persistent over a period of time (Mowday *et al.*, 1982). Further they suggested that organizational commitment is like an affective bond with the employees and their organizations and they have suggested that organizational commitment is a strong belief in and acceptance of the organization's goals and values; a willingness to exert considerable effort on behalf of the organization; and a strong desire to maintain membership in the organization. Organizational commitment has an inverse relationship with turnover intentions (Porter *et al.*, 1974).

Job Involvement

Job involvement is considered as the favorable organizational implications which support to achieve the organizational goals and lead to enhance efficiency and productivity (Brown, 1996). Job involvement is considered as an important employee attitude since it enhances the desired behaviors including job satisfaction and positive motivation (Schultz & Schultz, 1994). Also Robbins and Judge (2009) stated that employees with a high level of job involvement strongly identify with and really care about the kind of work they do.

Job satisfaction

Job satisfaction is one of the most prominent variables in the field of organizational behaviour and management since it has been frequently tested in several areas from time to time (Pfeffer, 1994; Fisher, 2003; Robbins & Judge, 2009). According to Robbins and Judge (2009), job satisfaction is defined as the amount of overall positive affect (or feelings) that individuals have towards their jobs. More and more organizations consider the job satisfaction in order to retain their employees within the organization (Robbins & Judge, 2009). Luthans (1995) found that there is a significant negative relationship between job satisfaction and absenteeism. Also it was found that job satisfaction is one of the most important factors which determine customer-oriented behaviours (Hoffman & Ingram, 1992). Later one study which supports this study finding stated that satisfied employees make satisfied customers in the organization (Zeithaml & Bitner, 2000). Also job satisfaction has been tested with job performance and a positive relationship was found between the two variables (Fisher, 2003). Moreover, Research finding proved that satisfied employees effectively perform their tasks and jobs in terms of higher level of performance and productivity (Fisher, 2003).

Organizational Commitment and Job Satisfaction

Studies have been undertaken to test the relationship between organizational commitment and job satisfaction and a significant positive relationship has been found between the two variables (Carmeli, 2005; Yang & Chang, 2008; Anari, 2012). Findings of Yang and Chang show that there is a significant positive relationship between these constructs by conducting the study among the nursing staff. Employees those who are moderately satisfied with their jobs are most likely committed to their organizations Anari (2012) also found that there was a positive relationship between job satisfaction and organizational commitment among high school English teachers. Thus, based on the previous findings, the following hypothesis is proposed:

H₁: The higher the level of organizational commitment, the higher the level of job satisfaction of bank managers.

Job Satisfaction and Job Involvement

Job satisfaction refers to the collection of positive feelings and affective responses associated with the job. (Spector, 1997; Robbins & Coulter, 2002; Robbins & Judge, 2009). One study examined the contribution of staff satisfaction to their level of job involvement in a private institution. Results show that there is a positive relationship between two variables. Also Nwibere (2014) conducted study to examine the interactive relationship between job involvement, job satisfaction, organizational commitment citizenship behaviour and organizational commitment among employees of Nigerian universities. The findings show that there is positive relationship between job satisfaction and job involvement of employees of universities. Thus, based on previous findings, the following hypothesis is proposed:

H₂: The higher the level of job satisfaction, the higher the level of job involvement of bank managers.

Organizational Commitment and Job Involvement

O'Reilly and Chatman (1986) reported that job involvement is an outcome of psychological commitment to an organization. They also argued that job involvement is included in the category of independent variables that are relevant to organizational commitment. They further averred that employees who display high levels of organizational commitment and job involvement may be the least likely to engage in voluntary turnover. Prior studies found that job involvement is an important determinant of organizational commitment (Pfeffer, 1994). Chin (2006) found that there is a significant positive relationship between job involvement and organizational commitment in a study carried out with Taiwanese nurses. Similar results were obtained in another study carried out by Uygur and Kilic (2009). Based on the above justification, the following hypothesis is proposed:

H₃: The higher the level of organizational commitment, the higher the level of job involvement of bank managers.

Conceptual Model

Based on the previous studies the conceptual model for this study was developed. The conceptual model is shown in Figure 1.

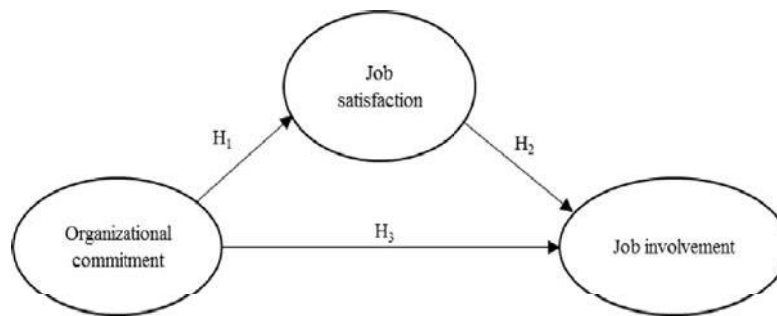


Figure 1. Conceptual model

Methodology

Overall Approach to Research

The type of investigation was a correlational study, the extent of researcher interference was minimal, the study setting was non-contrived (natural) and the time horizon was cross sectional, and the unit of analysis was individual.

Population and Sample

The population for this study was commercial bank managers. Four commercial banks were selected for this study; Hatton National Bank, Commercial Bank PLC, People's Bank, and Bank of Ceylon. Two hundred managers were selected using convenience sampling method, representing each province on a proportionate basis.

Data Collection

In this study, an empirical survey was carried out using a self-administered questionnaire on a seven-point Likert scale (1= strongly disagree, 7= strongly agree), whereby respondents were asked to give their agreement or disagreement. The response rate was 81.5%.

Survey Instrument Development

Job satisfaction

This study adopted a 6-item measurement developed by Tsui, Egan and O'Reilly (1992). This study modified items from the question format to statements as a result of consultation regarding these items with selected managers. Factor loadings eliminated one item since this value was below the cut-off value of 0.70 (Hair *et al.*, 2011).

Organizational commitment

The current study modified and used the organizational commitment instrument including 8 items measuring the affective commitment developed and validated by Allen and Meyer (1990). Factor loadings also confirmed item reliability for all items, since the factor loadings were above the cut-off value of 0.70.

Job involvement

10 items Job involvement instrument developed by Kanungo (1982) was used in this study. This job involvement instrument has been used in several previous studies and current study also confirmed item reliability for all items, since these items were above the threshold value of 0.70.

Approach to Data Analysis

Statistical Package for Social Science (SPSS) version 20.0 and Smart PLS version 2.0 (Ringle, Christian Wende, Will & Alexander, 2005) were the statistical tools used in the current study.

Approach to testing the measurement model

The strength of the measurement model was tested with item reliability, internal consistency reliability, convergent validity, and discriminant validity. The present study confirmed the measurement model.

Approach to testing the structural model

The structural model was used to determine the model's explanatory power and to test the hypotheses formulated based on the cause-effect relationships between constructs.

Results and Discussions

Descriptive Analysis

Research constructs of job satisfaction, organizational commitment, and job involvement were analyzed through mean and its respective standard deviation using the SPSS version 20.0 and they showed higher levels of mean values as shown in Table 1.

Table 1. Descriptive statistics of research constructs

Constructs	N	Mean	Standard Deviation
Job Satisfaction	163	5.69	1.009
Organizational Commitment	163	5.80	0.998
Job Involvement	163	5.77	0.905

Structural Model Analysis

The model’s explanatory power was assessed by the coefficient of determination, R^2 and it is 0.875 for the “job involvement” construct. This means that the two constructs (organizational commitment and job satisfaction) explained a substantial proportion (87.5%) of the variance in job involvement, since $R^2 > 0.75$ (Hair *et al.*, 2011).

The strength of the cause- effect relationships were assessed through the path coefficient values (β) and bootstrapping was used to test the significance of structural paths using t-Statistics (Hair *et al.*, 2011; Wong, 2013). The path coefficients suggested that organizational commitment has the strongest effect on job involvement (0.9123), followed by job satisfaction (0.8205). Thus all the hypothesized path relationships between the constructs were statistically significant. Thus it is concluded that all the hypothesized path relationships between the constructs: organizational commitment and job satisfaction ($\beta = 0.6496$, $p = 0.0000$); job satisfaction and job involvement ($\beta = 0.8205$, $p = 0.0000$); and organizational commitment and job involvement ($\beta = 0.9123$, $p = 0.0015$) were statistically significant.

The Figure 2. shows the conceptual model along with its path coefficients and the statistical significant levels where the statistical significant level was set at 95% ($p < 0.05$).

Table 1. Descriptive statistics of research constructs

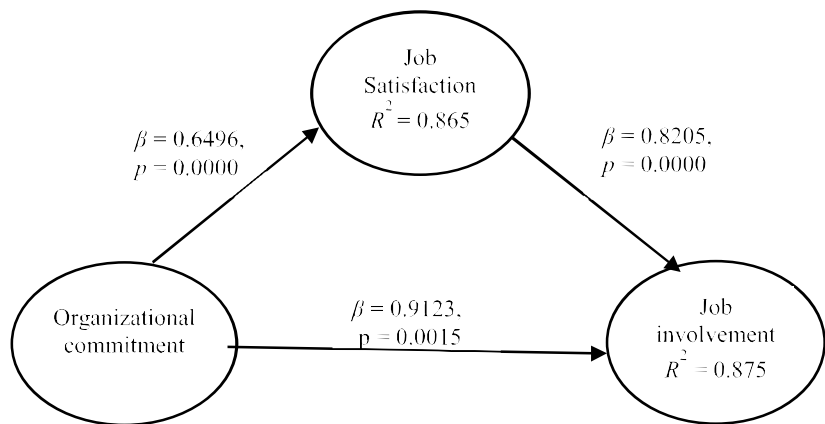


Figure 2. Structural model of the study

Hypotheses Testing

As shown in Table 2, the hypotheses were tested using the path coefficients (β) indicating the strength of the cause-effect relationships between the research constructs. The

bootstrapping procedure was used to assess the significance of path coefficient values (β). The statistical significance was tested at 95% ($p < 0.05$) confidence level.

Table 2. Research hypotheses testing

Hypotheses	Path coefficient (β)	<i>p</i> value	Supported/ Not supported
Hypothesis 1: Organizational Commitment -> Job Satisfaction	0.6496	0.0000	Supported
Hypothesis 2: Job Satisfaction -> Job Involvement	0.8205	0.0000	Supported
Hypothesis 3: Organizational Commitment -> Job Involvement	0.9123	0.0015	Supported

H₁: The higher the level of organizational commitment, the higher the level of job satisfaction of bank managers

As shown in Table 2, the organizational commitment affected job satisfaction of bank managers ($p = 0.0000$) with a larger effect size ($\beta = 0.6496$) since organizational commitment was positively and significantly related to job satisfaction of bank managers ($\beta = 0.6496, p < 0.05$), supporting H₁. This indicated that the bank managers with higher levels of organizational commitment are likely to display higher job satisfaction in the workplace.

H₂: The higher the level of job satisfaction, the higher the level of job involvement of bank managers

As per Table 2, job satisfaction positively affected the job involvement of bank managers ($p = 0.0000$) with a larger effect size ($\beta = 0.8205$) since job satisfaction was positively and significantly related to job involvement of bank managers ($\beta = 0.8205, p < 0.05$), supporting H₂. This indicated that the bank managers with higher levels of job satisfaction are likely to display higher job involvement in the workplace.

H₃: The higher the level of organizational commitment, the higher the level of job involvement of bank managers

As shown in Table 2, job involvement positively affected the organizational commitment of bank managers ($p = 0.0015$) with a larger effect size ($\beta = 0.9123$) since job satisfaction was positively and significantly related to organizational commitment of bank managers ($\beta = 0.9123, p < 0.05$), supporting H₃. This indicated that the bank managers with higher level of organizational commitment are likely to display higher job involvement in the workplace.

Conclusions

Main Conclusions

It was concluded that higher levels of organizational commitment of bank managers lead to higher levels of job involvement. Further, it was concluded that organizational commitment of bank managers can be enhanced through higher levels of job satisfaction. Hence,

organizational commitment can be recognized as one of the most critical work-related attitudes that managers should possess in present day organizations.

Implications of the Study

The current study findings provided the implications for both theory and practice. The current study narrowed the empirical gap by exploring the role of organizational commitment of managers by proposing new model. The results of the study revealed the use of the organizational commitment as an important work-related attitude in the assessment and development of individuals who perform executive roles especially as managers.

Limitations of the Study

Although this study delivered a new model, implications for theory and practice, there were few inherent limitations in this study. One limitation is only three work-related attitudes were considered in the study; job satisfaction, job commitment and job involvement. Apart from these attitudes, there are other attitudes which also could be studied. Another limitation is the current study explored the role of organizational commitment only among selected bank managers in Sri Lanka. Other limitation is the reliability of data depended on the respondents' understanding and perceptions as given in the self-reported data.

Future Research Direction

Even though the current study narrowed the empirical gap as well as provided new findings and insights based on the conceptual model developed in this study, it still provides a pathway for future research. First, the objective of the current study was to explore the role of organizational commitment among bank managers in Sri Lanka therefore it did not include other managerial level and non-managerial level employees at different organizations in Sri Lanka. Also future studies may focus on exploring the work-related attitudes among for-profit as well as for not-for-profit organizations.

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Third Annual Research Conference, ARC 2014

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