Organizational Commitment

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Abstract

Employee involvement is the missions and visions of an organization, and the types of employee commitments towards an organization remain at the center of designing any management strategy. Business leaders have led through the centuries by understanding employee psychology, employee emotions, and employee expectations, and by catering to employee needs in a manner that resulted in a win-win situation for both employer and employee. This situation guaranteed organizational commitment of the employee and in turn helped the organization realize its goals.

The term organizational commitment has become so much a part of management jargon today, that many of us use it every day without clearly visualizing the norms and parameters associated with it. Failure to understand the nature of organizational commitment leads to a lack of understanding of employee attachment to the organization and in turn leads to deficient management strategies that fail to reach their goals.

Organizational commitment is the bond employees experience with their organization. Broadly speaking, employees who are committed to their organization generally feel a connection with their organization, feel that they fit in and, feel they understand the goals of the organization. The added value of such employees is that they tend to be more determined in their work, show relatively high productivity and are more proactive in offering their support.

Key Words: Employee commitment, Job Involvement, Motivation, Organizational Commitment.

Introduction

Organizational commitment is important for Organizational success, it is a concept that has to do with the degree of commitment and loyalty that employees exhibit toward employers. As part of this concept, determining the level of responsibility that employees feel toward an employer is important. The underlying idea is that if an employee is truly committed to the goals and aims of the organization, he or she will manifest that commitment in terms of individual work ethic, the support of company goals and generally be dedicated to the ongoing success of the employer's business.

Within the scope of organizational commitment, there are several different levels that may be present in various combinations. One has to do with the degree of emotional attachment that an employee feels to the company. Sometimes referred to as affective commitment, this component of organizational commitment seeks to measure the positive feelings that the employee feels for the business and its operations in general. This type of commitment can come in handy when the business undergoes a stressful period, since employees with strong emotional attachments are likely to remain with the company and seek to develop and implement solutions that move the company back into a more desirable position.

When an individual's personal and professional values and preferences align with the goals of a company, that employee is more likely to feel organizational commitment, pride and motivation. When employees feel they have relationships and connections with colleagues, supervisors and clients, the workplace can feel more important than simply a place where duties are performed. Companies encourage employees to feel compelled to commit for the long term with fair compensation, important responsibilities and a pleasant work culture. It is easier to keep employees when the job market is scarce, but when the economy improves and job opportunities appear, uncommitted workers begin to look for more pay or better working conditions. Smart executives and business managers take steps to make their organizations appeal to employees. Employees with positive feelings about the company they work for will show organizational commitment, which leads to higher motivation and productivity. Managers can instill organizational commitment in employees by creating a desirable corporate culture, stimulating employees and rewarding both quality performance and company loyalty.

Types of Organizational Commitment

1.Affective commitment

Affective commitment, or how much an employee actually *likes* or feels part of an organization has a tremendous effect on employee and organizational performance. High levels of affective commitment in employees will not only affect continuance commitment, but also encourages the employee to try to bring others into the talent pool of the organization. An employee with high levels of affective commitment acts as a brand ambassador of the organization. On the other hand, an employee with high continuance commitment (due to lack of alternatives), but poor affective commitment may harm the organization by criticizing it in his/her social circles.

Affective commitment of an employee is directly proportional to positive work experience. So, management policies and strategies that make proper strength and weakness assessments of employees and create situations and workflows where the maximum number of employees individually experience positive work experiences, help to build a successful organization.

The great emphasis placed by recruiting managers upon person-organization-fit is also to ensure a high level of affective commitment in employees. Affective commitment is higher when the gap between individual values and organizational values is minimal.

However, the congruence between individual values and organizational values in employees can also be built and enhanced by strategies and programs to enhance employee understanding and recognition of organizational values.

2. Continuance commitment

Continuance commitment relates to how much employees feel the need to stay at their organization. In employees that are continuance committed, the underlying reason for their commitment lies in their need to stay with the organization. Possible reasons for needing to stay with organizations vary, but the main reasons relate to a lack of work alternatives, and remuneration.

A good example of continuance commitment is when employees feel the need to stay with their organization because their salary and fringe benefits won't improve if they move to another organization. Such examples can become an issue for organizations as employees that are continuance committed may become dissatisfied (and disengaged) with their work and yet, are unwilling to leave the organization.

3. Normative commitment

Normative commitment builds upon duties and values, and the degree to which an employee stays in an organization out of a sense of obligation. There are times in small companies, when payments are delayed, and the employees have to suffer pay cuts or deferred pay, but they stay on, because they do not want to leave an employer during bad times. Normative commitment comes from a sense of moral duty and the value system of an individual. It can be a result of affective commitment, or an outcome of socialization within the workplace and commitment to co-workers.

Normative commitment is higher in organizations that value loyalty and systematically communicate the fact to employees with rewards, incentives and other strategies. Normative commitment in employees is also high where employees regularly see visible examples of the employer being committed to employee well-being.

An employee with greater organizational commitment has a greater chance of contributing to organizational success and will also experience higher levels of job satisfaction. High levels of job satisfaction, in turn, reduces employee turnover and increases the organization's ability to recruit and retain talent.

How Does Organizational Commitment Benefit the Organization?

Committed employees are much less likely to leave their jobs and they are less likely to be absent from work. Once employees identify with the goals and values of the organization, they are less likely to leave, even when they experience periods of job dissatisfaction. More committed employees perform better and they usually expend more effort to find creative ways to be productive. They set more ambitious goals when they participate in goal setting.

Finally, committed employees adopt the goals and values of the organization in personal terms. This means that committed employees are strong advocates for the products, services and policies of their employers. Clearly, many of these valuable outcomes are at risk in organizations that attempt to improve their competitiveness by downsizing rather than by making investments in training and development to deepen employee's job skills.

"**How Can Managers Raise Organizational Commitment and Job Involvement?"**

a). Demonstrate that they honestly care about their employees' welfare. Often, managers are too busy to demonstrate much concern for employee welfare beyond creating safe working conditions. Both commitment and involvement depend on a durable strong, positive personal connection between the employee and the firm's actions. If these actions address employee welfare in conjunction with challenging tasks and participation, commitment and involvement will both form.

b). Create opportunities for employees to achieve their personal goals. If a competent employee wants more responsibility, perhaps to increase his chances for promotion, the manager should redesign the employee's job to make it more meaningful and challenging.

c). Modify jobs so employees can experience more intrinsic rewards. Many employees want more personal control over their work. An effective manager provides opportunities for employees to participate in decision-making to fulfill these needs.

d). Find ways to reward and interact with employees regularly. If managers are unavailable when employees encounter task problems, then both work attitudes are less likely to form. Further, if managers only appear when problems surface, employees come to associate them with negative outcomes like punishment and criticism; neither of which obtains commitment and involvement.

e). Set goals with employees and be sure that some of them are personal development goals valued by the employees. Not only should managers explain the importance of goals, but they should actively encourage the development of managerial competence in their subordinates.

Building Commitment among Employees

While commitment to an organization, a relationship, or a course of action may develop naturally over time, there are way in which some organizations actively seek to develop the level of commitment among employees. Walton (1985) presented two fundamental approaches to workforce management: the control approach and the commitment approach. These two approaches present two integrated human resource strategies for the selection, development, motivation and retention of employees. The fundamental difference between these two strategies lies in the overriding philosophy and values regarding the employment of people and organizations. Control and commitment represent two distinct approaches to shaping employee behaviors and attitudes at work.

a).Control Strategy or Control-Oriented Approach- The goal of control human resource systems is to reduce direct labor costs, or improve efficiency, by enforcing employee compliance with specified rules and procedures and basing employee rewards on some measurable output criteria. (Related concepts: Theory X Assumptions; Transactional Leadership).

b).Commitment Strategy- Commitment-based human resource systems shape desired employee behaviors and attitudes by forging psychological links between organizational and employee goals. In other words, the focus is on developing committed employees who can be trusted to use their discretion to carry out job tasks in ways that are consistent with organizational goals. (Related concepts: Theory Y assumptions; Transformational Leadership).

What are the ways in which employees actually develop or build commitment? Various practices can be divided into categories based on the four commitment mechanisms.

1. Investment Based Practices

In most cases, employees make investments over time in the form of *paying dues,* investing in skills specific to a company, or building reputations with a company. Many investments are made without consideration and only become apparent when an employee is faced with strong dissatisfaction and think about leaving. However, employees who do not see a successful and satisfactory future with an employer (high expectancy) are generally unwilling to make large personal investments with that employer.

2. Reciprocity based Practices

Like investments, employers do not often develop explicit strategies to make employees feel indebted, however whenever employers go beyond normal expectations is treating employees well, such as extra training, benefits to employees without apparent organizational gain, indebted can develop. This is especially likely to happen when an employee believes that an employer has given him or her a special chance. This basis of commitment can also be to a leader, supervisor or work team.

3. Limiting Alternatives

Two of the most common alternative limiting actions are developing specialized skills that are only of value to a specific employer and providing rewards and benefits that are difficult to match elsewhere in the labor market.

4. Developing Social Identity

The development of one's social identity in terms of an employing organizations is the most potent commitment mechanism. When individuals define their identities in terms of their employing organizations, a strong bond is created. Sociologists have referred to this type of identification as a *local* orientation, while identification with one's profession is considered a *cosmopolitan* orientation. Identification is more likely to occur when;

a).Identification: Individual identifies with the **mission** of the organization and the mission is consistent with his or her personal values.

b).Success/Status: Individual develops a sense of pride through inclusion in the organization associated with organization's accomplishments and status. The power of this element is increased by perception that the individual is in part responsible for organization's accomplishments and status through participation and empowerment.

c).Security: Individual feels a sense of **security** and can envision a career path within the organization.

d).Validation: Individual experiences validation of his or her skills and worth by leaders and peers feeling a strong fit with and acceptance by the workgroup. Another form of validation comes when employees are able to use expertise and discretion (leading to ownership of and personal responsibility of outcomes and are able to see to positive outcomes of their effort (Knowledge of results).

e).Trust: One of the most important sources of individual validation is the perception that one is trust. **Trust** is one of the focal elements of a commitment strategy. When employees are not trusted, organizations develop extensive control systems. A control system is one of the clearest way to telling someone he or she is not trust: an invalidating act.

Many of these elements are developed through the leader/employee relationship. This is why many commitment-based organizations place a great deal of emphasis on developing transformation and participative leadership styles.

Conclusion

Organizational Commitment is one of the basic concepts describing the relationship between an employee and Organization. Organizational commitment is when an employee feels a strong sense of loyalty and buy-in to business goals. Contributing to organizational commitment are an appreciation for company goals, a feeling of belonging and cultural values that go beyond work tasks. Organizations should use different management and leadership strategies to increase the level of commitment of their employees. When employees are committed to their employer, they will deliver higher levels of performance. Highly committed employees can help an organization achieve much more each year than employees with average or low commitment.

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