

A STUDY OF ORGANIZATIONAL COMMITMENT IN THAILAND

*DR. RAWEE NGAMCHOKCHAICHAROEN
PRESIDENT
ASHRAE THAILAND CHAPTER (2002 - 2003),
GENERAL MANAGER
TRANE THAILAND*

Abstract

The current study measured several organizational variables of a large sample of managers and workers from a variety of companies in Thailand. Specifically, it was hypothesized that organizational commitment would be related to job satisfaction, job involvement and the structural and interpersonal components of organizational values. All of the hypotheses were supported and the results indicate that significant and important relationships exist between organizational commitment, job satisfaction, job involvement and two aspects of organizational values. It is important to question which factors impact organizational commitment and the relationship, if any, between these factors. There was no difference between the responses of the managers and employees except for the scores on the job involvement. Here the managers demonstrated a higher level of job involvement than the workers did although both sets of responses showed positive levels of involvement. The present study also has implications for organizations attempting to build on organizational commitment and enhance worker job satisfaction. Enhancing the motivating potential of jobs by increasing job involvement and enhancing the perception of fair play and organizational values will ultimately positively effect work outcomes. The implication is that organizations can enhance organizational commitment through increased job satisfaction and job involvement. It is anticipated that by increasing these various factors the end result will be a more effective and productive organization.

Introduction

Statement of the Problem

Organizations must do everything possible to become or remain competitive. This is particularly true in Thailand and other South East Asian countries given the recent economic troubles of the region and the rapid changes that are occurring in the market place organizations are operating in a global environment that has increased competition throughout the world. Countries can no longer depend on a protected domestic market while at the same time exporting to other countries. Given that the major expenses for most organizations are the labor costs any steps that can be taken to reduce labor costs will be valuable. Organizational commitment is one concept that has been shown to be related to job satisfaction and loyalty (Decotis and Summers, 1987).

An increase in productivity and or a reduction in employee turnover will result in lower costs. Research has indicated that the organizational commitment of employees is related to both productivity and turnover. A study conducted in the United States in 1982, found that the costs of employee turnover ranged from the lowest amount for a clerical employee that exceeded \$US 2,500. The highest amount for a pilot was in excess of \$US 100,000 (Mobley, 1982). Adjusted for inflation, it is not unreasonable to estimate that these costs now range from a low end of \$US 7,000 to a high-end amount of around \$US 300,000. Clearly the costs related to turnover are not insignificant. The larger, the organization, the greater the number of employees and presumably the greater turnover and costs. Therefore anything that can be done to understand and reduce employee turnover will help organizations become more effective.

The process by which an individual learns to perform in an organization has been called socialization (Schein, 1980). This is the process whereby individuals come to appreciate the values, the expected behaviors, and social knowledge that is essential for assuming an organizational role and performing in the organization. It is not unreasonable to consider organizational commitment a part of the socialization process. The goal of this research is to explore issues directly related to improving and effecting organizational commitment.

Purpose of the Study

The purpose of this study was to gain a greater understanding of the impact of organizational commitment on individuals its role in organizations. This area has been the focus of several research studies that indicate that organizational commitment can have a significant effect on an organization and result in improved productivity and lowered turnover. Both of these factors will contribute to healthier organizations. It seems appropriate that the issue of individual differences be considered in the context of organizational commitment. It is also directly related to the organizational structure, climate, and goals.

The theories on organizational commitment suggest that individuals role and style need to be taken into consideration. This cannot be done without a consideration of the impact of different factors on organizational commitment. This study looked at some of the linkage between individual factors and organizational commitment. Hopefully, this has resulted in a greater understanding of the importance and role of the organizational commitment. The ultimate purpose of this study was to use the understandings learned from this research to improve organizations in Thailand. This was done by considering factors and organizational procedures to ensure that employees are committed to the organization. By ensuring that management is in tune with the needs of employees and by ensuring that employees are aware of the organizations needs organizational commitment can be improved.

Theory to be tested

The base theory investigated was the relationship of job satisfaction to organizational commitment and the contribution that one's job involvement and values has on that commitment. While some research literature (e.g. Cohen, 1993 and Pascale & Athos. 1981) suggests that increased feelings of job satisfaction, job involvement, and shared values contribute to employee commitment, the bases for such conclusions have been based on anecdotal information or specific examples. However, there has been a continued need for empirical testing to investigate the nature of these relationships. Therefore, this study provides and empirical investigation for some of these assertions and assumptions, in Thailand companies.

The core literature for the proposed research is the organizational commitment portion of Mowday, Porter and Steers' (1982) model. In their book, Mowday et al, provides and extensive review of the theoretical and empirical work done on the concept of organizational commitment. Commitment has been significantly, negatively associated with turnover. In addition, a similar

but weaker relationship has been found between commitment and decreased performance and increased absenteeism and tardiness.

Investigations of turnover have focused on job satisfaction as a construct of tenure. The research data indicated a moderate and consistent relationship between greater job satisfaction and the propensity to remain on the job (e.g. Cohen, 1993). However, by concentrating on job satisfaction, other correlates of turnover may have been overlooked. Other important variables may include organizational commitment, tolerance for ambiguity and worker's values (Randall, 1990). While the literature is fairly clear with the respects of the outcomes of commitment, the reasons for different levels of commitment are not always as consistent. The contradictions this produces may be a result of the use of different definitions of organizational commitment.

Organizational commitment (Mowday et al., 1982) refers to a belief in and acceptance of the goals and values of the employing organization, and a willingness to exert effort on behalf of the organization and to maintain organizational membership. This approach distinguishes between commitment as a behavior and commitment as an attitude. Organizational commitment does not stabilize until sometime after organizational entry, and after completion of several stages in the organizational socialization process. Mowday et al. Attempted to integrate the attitudinal and behavioral approaches to commitment by proposing an ongoing reciprocal influence process. They argued that, under conditions that increase felt responsibility, behavior might be instrumental in shaping attitudes, which, in turn, influence subsequent behavior. Thus, for example, employees who perform at a high level of proficiency may become committed to that level of performance and develop a more positive attitude. Such an attitude may ensure the continuation of a high level of performance in the future. This is recognized in the theory by including behavioral commitment as an antecedent of affective commitment and as part of a feedback chain in which positive work behaviors.

Research Questions

This researcher has found little previous research, which investigates a possible relationship between job involvement, values and organizational commitment. In addition the majority of the research has been conducted within the United States and little is known about factors which impact organizational commitment in other cultures. In this study, several questions arose in examining these relationships.

a) Are there significant relationships between job satisfaction, job involvement, and shared value systems and organizational commitment?

b) Do employees who possess certain characteristics also exhibit organizational commitment?

c) Do work experiences established by organizational structures relate to organizational commitment more than an individual's disposition procedural justice does?

d) Are certain factors better predictors of organizational commitment?

The purpose of this study was to investigate questions concerning the relationship of job satisfaction, job involvement, and shared values systems to organizational commitment. As Western and Japanese organizations have become more similar over the past thirty years organizational behaviors such as annual separation rates have remained different (Marsh and Mannari, 1991). This continued variation suggests that research on organization commitment may be over - simplified. That is, organizational commitment may not be a matter of a single dimension, but may be multi-dimensional (Reichers, 1985). In addition, cultural variables appear to be related to employee attitudes and satisfaction. The main focus of this study should contribute to the knowledge of the development of organizational commitment in employees. A main objective was to examine whether variables that have been previously demonstrated to be related to organizational commitment in the United States, (i.e. job satisfaction, job involvement and shared values) show a similar relationship in a sample of organizations and employees in Thailand.

Definition of Terms

Attitudes: Opinions held by individuals about things or people.

Corporate Culture: The set of key values, beliefs, and understandings that are shared by the members of an organization.

Environment: The institutions or forces outside an organization that potentially affects the organization's performance.

Internal Environment: Factors within the organizational boundaries that influence the operations of the organization.

Job Involvement: The extent to which an individual identifies psychologically with his or her job.

Job Satisfaction: An attitude reflecting the extent to which an employee expresses a positive feeling toward a job.

Managers: Individuals who achieve organizational goals through others.

Need for Achievement: The desire to perform to high standards or to excel at a job.

Organizational Behavior: The study of actions, feelings and effectiveness of people in organizational settings.

Organizational Citizenship Behavior (OCB): Relates to the nature, causes and consequences of prosocial job behavior.

Organizational Commitment: Having a strong belief in an organization's values and goals, such that an employee desires to remain a part of the organization and is willing to expend considerable effort for the organization.

Organizational Culture: The same as corporate culture.

Organizational Goal: A desired state of affairs that the organization attempts to realize.

Perception: The processes by which people select, organize, interpret, and assign meaning to external things.

Quality of Work Life (QWL): A change approach that gives workers a voice in organizational decisions.

Methodology

The data were collected over a two-month period between June and August 2000. The methodology used in this study is outlined below and was designed to collect data that would address the proposed research questions.

The research questions generated the following specific hypotheses. From the first research question the following hypotheses were derived.

Ha1: Greater job satisfaction results in greater organizational commitment.

Ho1: Greater job satisfaction has negative or no impact on organizational commitment.

Ha2: Greater job involvement results in greater organizational commitment.

Ho2: Greater job involvement has negative or no impact on organizational commitment.

Ha3: Shared value systems result in greater organizational commitment.

Ho3: Shared value systems have a negative or no impact on organizational commitment.

The second and third research questions are interested in the concepts of job satisfaction and involvement so these questions were answered by testing the second hypothesis listed above. The fourth research question was answered by comparing the answers from testing the initial three hypotheses. This generated a fourth hypothesis as follows.

Ha4: There is a difference in organizational commitment based on differences in the levels of job involvement, job satisfaction and values.

Ho4: There is no difference in organizational commitment based on differences in the levels of job involvement, job satisfaction and values.

Based on these hypotheses, the dependent variable is the level of organizational commitment, which was assessed using the organizational commitment questionnaire described below. This instrument is designed to measure the level to which employees feel committed to and hold positive attitudes about the employing organization.

The independent variables were job involvement, job satisfaction and values. These variables were assessed using a several instruments specifically designed to measure each of the independent variables.

Samples

This research proposed to examine the hypotheses developed from the research questions by collecting data from 200-250 managers and their employees within several companies in Thailand. The total sample size was not known until the responses were received. However the goal was to have at least two hundred responses from managers and six hundred responses from workers for a total sample size of around eight hundred individuals. The final sample size was 150 managers and 480 workers. This yielded a total sample size of 630. A total of 772 individuals were asked to participate in the study and 142 people declined or failed to complete part or all of one or more of the surveys yielding a response rate of 82%.

These subjects varied in demographic characteristics such as age, gender, tenure, educational background and marital status so these data were also collected and tabulated for consideration during the data analysis phase. Sampling was random to the greatest extent possible and included both managers and workers.

Analysis and Presentation of Findings

The data were tabulated and summarized. The demographic data for the samples are tabulated in Table 1. As can be seen from the data, the subjects tend to be younger, more likely to be female than male, and have a high level of education.

The means, standard deviations for each of the scales are presented in Table 2. The data were separated for the managers and workers. The first set of data analyses were computed by comparing the means for the two groups of subjects using a

series of independent 't' tests. The results were as follows: For the Organizational Commitment Scale, $t(628) = 1.01, p > .05$; for Job Satisfaction, $t(628) = 1.94, p > .05$; for Job Involvement, $t(628) = 2.81, p < .05$; for Organizational Values - Structural, $t(628) = 0.87, p > .05$; and for Organizational Values - Interpersonal, $t(628) = 1.74, p > .05$. The results indicate that the managers in this study had equivalent levels of organizational commitment, job satisfaction and organizational values as did the workers. Only the Job involvement scale indicated a difference between the two groups of subjects.

Table 1. Demographic Data

Demographic Variables	Frequency	Percent
<i>Age</i>		
15 - 24	210	33.3
25 - 34	350	55.6
35 - 44	59	9.4
44 and over	11	1.7
<i>Gender</i>		
Male	294	46.7
Female	336	53.3
<i>Marital Status</i>		
Married	191	30.3
Not Married	439	69.7
<i>Tenure</i>		
1 - 5 years	407	64.6
6 - 10 years	145	23.0
11 - 15 years	46	7.3
16 years +	32	5.1
<i>Educational Level</i>		
Undergraduate	131	20.8
Graduate	456	72.4
Post graduate	43	6.8

Table 2. Mean and Standard Deviations for Each Scale

Variables	Mean		Standard Deviation	
	Managers	Workers	Managers	Workers
Organizational Commitment	5.21	5.12	0.91	0.98
Job Satisfaction	3.65	3.57	0.43	0.51
Job Involvement	2.65	2.85	0.74	0.78
Organizational Values-Structural	5.15	5.06	1.12	1.06
Organizational Values-Interpersonal	5.22	5.40	1.11	1.09

The correlations between organizational commitment and the other study variables are presented in Table 3. The values for gender, age, marital status, educational level, tenure and position in the company were scored either 1 to 2, 1 to 3 or 1 to 4 as appropriate to generate the statistical values. The negative correlations are therefore not critical for these items but rather reflect the numerical designations given. The results of the statistical analysis indicate that organizational commitment was positively correlated to Job Satisfaction, which supports the first research hypothesis that greater job satisfaction results in greater organizational commitment ($r = 0.731, p < .01$). In addition, the results of the statistical analysis indicate that organizational commitment was also negatively correlated to Job Involvement, ($r = 0.525, p < 0.1$). However, since a low score on the Job Involvement scale indicates a higher level of Job Involvement this is a positive relationship, which supports the second research hypothesis that greater job involvement results in greater organizational commitment. Finally, the results of the statistical analysis indicate that organizational commitment was also positively correlated to both factors of organizational values, which supports the third research hypothesis that shared organizational values results in greater organizational commitment (for Organizational Values-Structure $r = 0.621, p < .01$ and Organizational Values-Interpersonal, $r = 0.593, p < .01$).

Table 3. Intercorrelations among the Study Variables

Variable	1	2	3	4	5	6	7	8
1. Gender	-							
2. Marital Status	-.30**	-						
3. Tenure	.07	-.17*	-					
4. Education	.16*	.05	-.09	-				
5. Job Type	-.27**	-.14	-.11	-.18*	-			
6. Organizational Commitment	-.06	-.07	.17*	.11	-.22*	-		
7. Job Satisfaction	-.07	-.09	-.13	-.14	-.19*	.73**	-	
8. Job Involvement	-.08	-.09	-.08	-.16	-.04	-.53**	-.60**	-
9. Organizational Values (Structure)	-.02	-.05	-.09	.15	-.32**	.62**	.65**	-.40**
10. Organizational Values (Interpersonal)	-.07	-.06	-.11	.13	-.27	.59**	.67**	-.45**

* p < .05, ** p < .01

● Note: Demographic variables are category-defined variables given values of 1 through 4 (as necessary) for statistical purposes. Also a low score on Job Involvement indicates a higher level so a negative correlation with job involvement is in fact a positive relationship.

The fourth hypothesis, there is a difference in organizational commitment based on differences in the levels of job involvement, job satisfaction and values, was also supported based on the results of the initial three hypotheses. While this initial analysis supports the research hypotheses tested, it is possible to conduct a more detailed level of analysis than simple correlations. To this end a hierarchical regression analysis using each of the factors in the study was computed. While factors like gender, marital status, job type and education level yielded small and non-statistically significant correlations, it is possible to partial out the control variables to see a significant relationship between organizational commitment and the other factors of job satisfaction, job involvement and organizational values remained or was enhanced. The results of using simultaneous regression analysis are shown in Table 4.

Table 4. Summary of Hierarchical Regression Analyses, Including Controls

Step	Variables	Organizational Commitment		
		R ²	ΔR ²	F
1	Controls	0.192		5.547**
2	Job Satisfaction	0.237	.059**	3.823**
3	Job Involvement	0.211	.045**	3.461**
4	Organizational Values-Structural	0.257	.071**	4.602**
5	Organizational Values-Interpersonal	0.268	.076**	4.748**

* p < .05, ** p < .01

The initial equation regressed organizational commitment on the six control variables. The results indicate that there is a relationship between organizational commitment and job satisfaction, job involvement and organizational values even or especially when the regression analysis controls for the demographic factors. The standardized regression coefficients of the four-predictor values and the six control variables are presented in Table 5. Of the four-predictor values, they all had a significant relationship to organizational commitment. This analysis provides further support for the four hypotheses tested in this study.

Table 5. Standardized Regression Coefficients for all Variables in the Complete Regression Equation

Variable	Organizational Commitment	
	β	t
Predictor Variable		
Job Satisfaction	0.356	3.37**
Job Involvement	0.301	2.98**
Organizational Values-Structural	0.348	3.25**
Organizational Values-Interpersonal	0.359	3.34**
Controls		
Gender	0.009	0.13
Age	0.231	2.15**
Tenure	0.287	2.91**
Educational Status	0.211	2.17*
Marital Status	0.195	1.78
Position	0.023	0.28

* p < .05, ** p < .01

The following chapter summarizes these findings as well as discussing the limitations of the current study and potential areas for future research.

Summary and Conclusions

Overview of the Research

The results of the current study supported the four hypotheses tested. The results clarify the relative relationship between organizational commitment and four other variables. Organizational commitment was shown to be positively related to job satisfaction, job involvement and both the structural and interpersonal constructs of organizational values. Because the effect of these variables on organizational commitment was studied simultaneously, a clear picture of the inter-relationship between these variables is now apparent. The current study indicates that when all four variables are considered at the same time job satisfaction, job involvement and organizational values can be considered to be significant predictors of organizational commitment. When some of these variables have been considered separately, other researchers have concluded that the relationship between variables considered here and organizational commitment do not exist (Weiner, 1982). Further, it should be remembered that the earlier findings related to American samples while the current results were based on data collected in Thailand.

Demographic issues have been studied by others with mixed results. On the issue of tenure on the job, early research (e.g. Hrbiniak & Alutto, 1972) found that women were more committed than men to an organization were. However, the results of a later study found that gender was no related to organizational commitment (Bruning & Snyder, 1983). The results of the current study support the latter findings that gender is not related to organizational commitment. While marital status does not seem to have been a variable that has been tested in other research it is worth noting here that marital status was found to have no relationship to organizational commitment.

In contrast to some of the other demographic variables, education has often been found to be inversely related to organizational commitment (Angle and Perry, 1981; Morris and Sherman, 1981). It has been suggested that the inverse relationship between education and commitment may result from the fact that more highly educated people have higher expectations of an organization or that they are more committed to a profession rather than a particular organization. The results of the current study found a small but positive relationship between education and organizational commitment. While this relationship was not sufficiently large to achieve a statistically significant level it is worth noting this finding. This opposite effect may be related to the Asian cultural emphasis placed on education and the fact that education tends to be a highly valued commodity. Further, the organizational climate is different in Thailand than in the United

States so education is more easily recognized and individuals are appreciated because of their educational level.

Contributions of the Study

The major finding of this study is that, in the population studied, organizational commitment is related to job satisfaction, job involvement and both the structural and interpersonal aspects of organizational values. As economies grow stronger, employees have more work options. Successful companies tend to be those companies that are able to keep their best employs. Organizational commitment is a major factor in whether people will remain within an organization.

The results of this study point towards job satisfaction as a major element of organizational commitment. This suggests that organizations need to ensure that job satisfaction is maintained either through organizational structures or managerial support. Job involvement was also positively related to both job satisfaction and organizational commitment. One of the challenges for organization, based on these findings, is working to ensure that both workers and managers feel involved and satisfied with their jobs. It is also interesting to note that there was very little difference in the responses of workers and managers on the scales used. The only exception was in the case of job involvement where managers, as might be expected, showed a greater degree of job involvement. However, on the other three measures there were equivalent responses and this should alert organizations to the fact that managers and workers are often not that different in their values and attitudes at work. To assume differences and then treat employees differently based on these perceptions would be ill advised.

Conclusion

The current study found that significant and important relationships exist between organizational commitment, job satisfaction, job involvement and organizational values. It is important to question which factors impact organizational commitment and the relationship, if any, between these factors. The present study also has implications for organizations attempting to build on organizational commitment and enhance worker job satisfaction. Enhancing the motivating potential of jobs by increasing job involvement and enhancing the perception of fair play and empowerment (organizational values in this study) will ultimately positively effect work outcomes (See also Thomas & Velthouse, 1990). The implication is that organizations can enhance organizational commitment through increased job satisfaction and job involvement. It is anticipated that by increasing these various factors the end result will be a more effective and productive organization.

References

- Angle, H. (1983). Organizational Commitment : Individual and organizational influences. Sociology of work and organizations, 10, 123 - 146.
- Angle, H. & Perry, J. (1981). An empirical assessment of organizational commitment and organizational effectiveness. Administrative science quarterly, 26, 419 - 430.
- Blau, G. & Boal, K. (1989). Using job involvement and organizational commitment interactively to predict turnover. Journal of management, 15, 1, 115 - 127.
- Blau, G. & Boal, K. (1987). Conceptualizing how job involvement and absenteeism. Academy of management review, 12, 288 - 300.
- Bruning, N. & Snyder, R. (1983). Sex and position as predictors of organizational commitment. Academy of management journal, 26, 285 - 491.
- Cohen, A. (1999). Relationships among five forms of commitment : An empirical assessment. Journal of organizational behavior, 20, 285 - 308.
- Cohen, A. (1993). Organization commitment and turnover : A meta-analysis. Academy of management journal, 36 (5), 1140 - 1157.
- Decotis, T.A. and Summers, T.P. (1987). A path analysis of a model of the antecedents and consequences of organizational commitment. Human relations, 40, 464 - 465.
- Hersey, P. and Blanchard, K.H. (1988). Management of organizational behavior : Utiliring human resources (5th ed.) Englewood Cliffs, NJ : Prentice Hall.
- Hofstede, G. (1980). Culture consequences : International differences in wak related values. Beverly hills : Sage publications.
- Hrebiniak, L.C. & Alutto, J.A. (1972). Personal and role related factors in the development of organizational commitment. Administrative science quarterly, 17, 555- 572.
- Kanungo, R.N. (1982). Measurement of job and work involvement. Journal of applied psychology, 67, 341 - 349.
- March, R.M. & Mannari, H. (1977). Organizational commitment and turnover : A prediction study. Administrative science quarterly, 22, 57 - 75.
- Morris, J. & Sherman, J. (1981). Generalizability of an organizational commitment model. Academy of management journal, 24, 512 - 526.
- Mowday, R.T., Porter, L. & Steers, R.M. (1982). Organizational Linkages : The psychology of commitment, Absenteeism and turnover. New York : Academic Press.
- Porter, L.W., Steers, R.M., Mowday, R.T. and Boulian, P.V. (1974). Organizational commitment, Job satisfaction and turnover among psychiatric technicians. Journal of applied psychology, 59, 603 - 609.
- Randall, D.M. (1990). The consequences of organizational commitment & methodological investigation. Journal of organizational behavior, 11, 361 - 378.
- Reichers, A.E. (1985). A review and reconceptualization of organizational commitment. Academy of management review, 10, 465 - 476.
- Schappe, S. (1998). The influence of job satisfaction, organizational commitment, and fairness perceptions on organizational citizenship behavior. Journal of psychology, 132, (3), 277 - 290.
- Thomas, K.W. & Velthouse, B.A. (1990). Cognitive elements of empowerment : An 'Interpretive' level of intrinsic task motivation. Academy of management review, 15, 666 - 681.
- Weiner, Y. (1982). Commitment in organizations : A normative view. Academy of management review, 7, 418 - 428.
- Williams, L.J. & Anderson, S.B. (1991). Job satisfaction and organizational commitment as predictors of organizational citizenship and in-role behaviors. Journal of management, 17, 601 - 617.
- Yeh, R.S. and Granrose, C.S. (1993). Work goals of Taiwanese men and women managers in Taiwanese, Japanese and American Owned companies. International journal of inter-cultural relations, 17, (1), 107 - 123.