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Evaluating organizational commitment in support of organizational leadership

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Abstract

Organizational commitment is a concept that is much used in management. Yet leaders might not fully realize what it consists of and how complex the concept really is. Although it is understood to be important for organizations, its multifaceted nature is not necessarily understood adequately. For example, the fact that commitment might also have potential disadvantages for the company and the individual is often disregarded. The objective of this paper is to describe briefly the theoretical background of organizational commitment and to illustrate an ontology based application created for commitment evaluation in a real business context.

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1. Introduction

Company managers and leaders often have to operate with incomplete information when making decisions regarding their employees. To make effective decisions, information regarding the employees' commitment and engagement in their work is highly valuable for management. However, due to its intrinsic nature, it is difficult to obtain.

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Organizational commitment refers to the extent to which an individual regards him or herself as an organizational person. It can be defined as a psychological state that binds an individual to an organization [1]. In particular, organizational commitment refers to “the relative strength of an individual's identification with and involvement in a particular organization” [2]. Reichers [3] defines commitment as a process of identification with the goals of an organization's multiple constituencies [3], such as organization, occupation, job, supervisor, workgroup, or organizational goals. For decades it has been thought that lack of commitment has a direct relation to employee turnover, and thus a negative impact on the productivity of the organization [4]. Often it has been included as a mediator, focusing on predicting employee reactions or behaviors towards their employing organization [5].

Understanding the factors and personal characteristics that enhance commitment and engagement has practical value for organizations. Management should try to discover how their employees feel and find out where they see the most flaws in their work environment. To unravel the vague nature of the concept of organizational commitment for use in decision-making and to show what it is affected by, definitions of organizational commitment have been broken down into more manageable pieces or sub-concepts and constructed as an ontology [6].

The created ontology contains 59 features in 18 main categories, which are assessed using statements [7]. The ontology contains 237 unique statements regarding everyday work and situations and employee feelings. These statements are used to assess different features related to organizational commitment and engagement and, by combining the scores of each employee, a collective view is obtained.

2. Evaluating organizational commitment

The main goal of the application is to provide a true comprehensive “bottom-up” view for the management about the state of their employees' commitment and factors affecting their engagement. It provides important information for management about their employees collectively and provides guidance for prioritizing potential development activities. The evaluation is done using an Internet-based environment called Evolute [8]. Evolute contains many different ontology-based applications that can be used to assess different organizational competencies and management objects. The employees in the organizations estimate the truth-value of each statement with regard to their own organization. They give an estimation of how the statement is at that moment in time, which gives us the current state of each feature and category-level variable. In addition, respondents specify how they would like the situation represented by that statement to be in the future, i.e. the target state. This is how the employees evaluate their feelings in terms of how engaged they are in their work and how committed they are to their organization.

The difference between the target state and current state is creative tension [9]. Creative tension shows how much (or little) the respondent desires to improve or change the matter presented in the statement. Conversely, the current value gives information on how the employees feel about the current state of things, e.g. how motivated, satisfied or committed they are and the future value how they value each feature and category. For example, if they give a very high future value to some statements regarding job satisfaction it means that they value it very highly compared to some other feature that they do not wish to be as high in the future.

Figure 1 shows sample results of a business case from a Finnish energy company. The figure presents category level results that have been sorted based on the highest current state collective responses. Based on this sample case, the employees feel that their job is very motivating and that their job satisfaction is really high. On the other hand, they feel that they do not have many other employment options or they feel a high sense of obligation toward the organization.

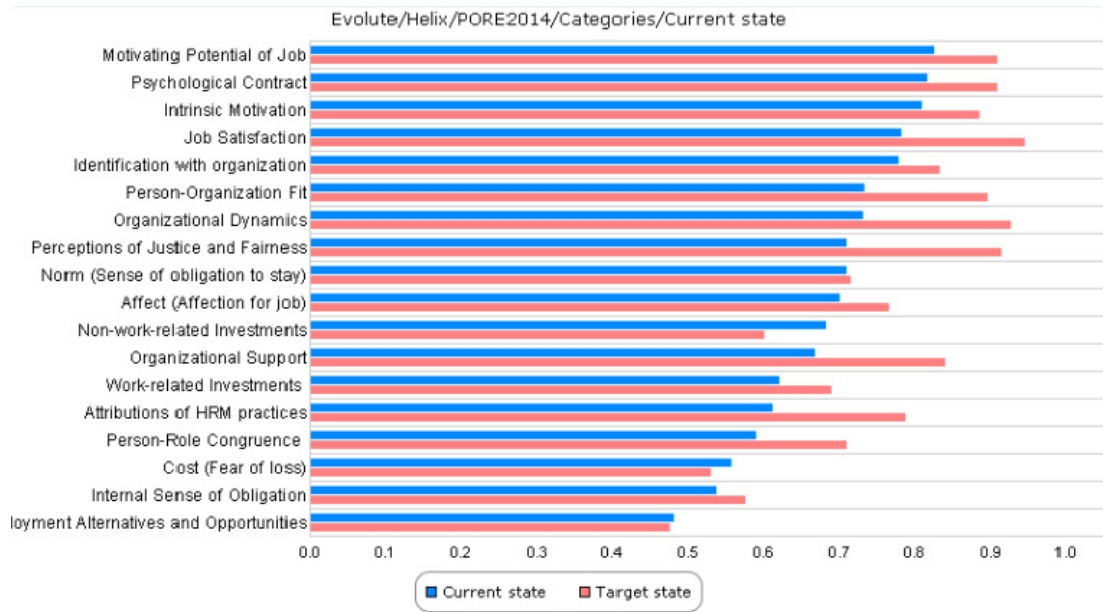


Fig. 1. Sample of category level results sorted based on highest current state values.

Figure 2 shows how the respondents value the future importance of each category. Based on this basic visual analysis, the respondents value job satisfaction highest. This can be thought to be quite predictable since it comprises various facets of satisfaction such as working conditions, co-workers, and management, pay, and job security [10]. According to the results, these respondents do not value alternative employment opportunities highly, which also provide management with valuable information.

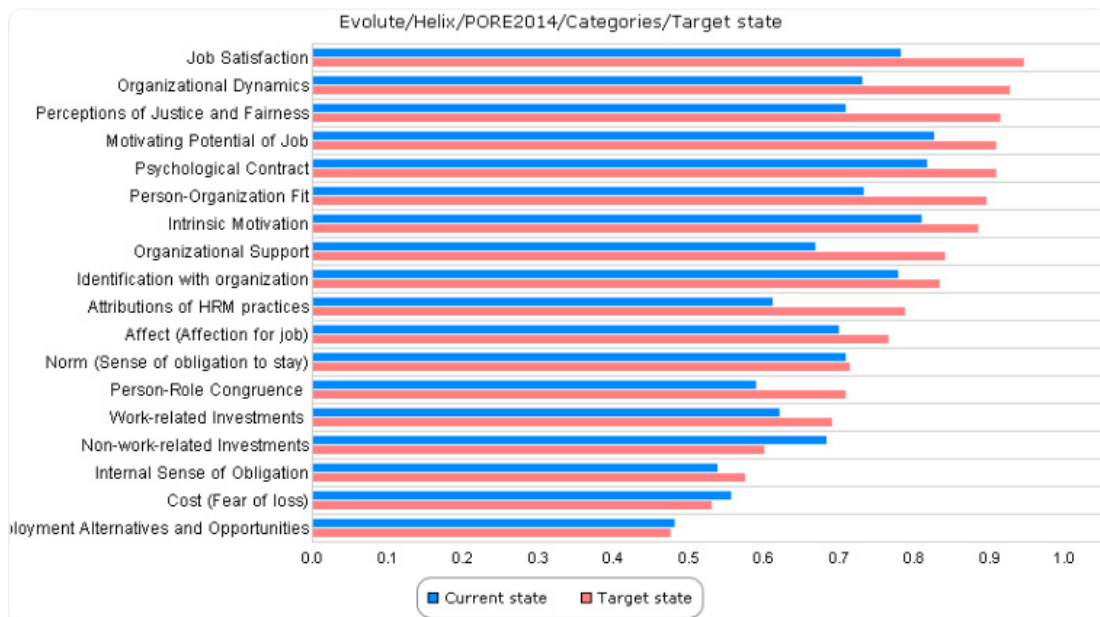


Fig. 2. Sample of category level results sorted based on highest target state values.

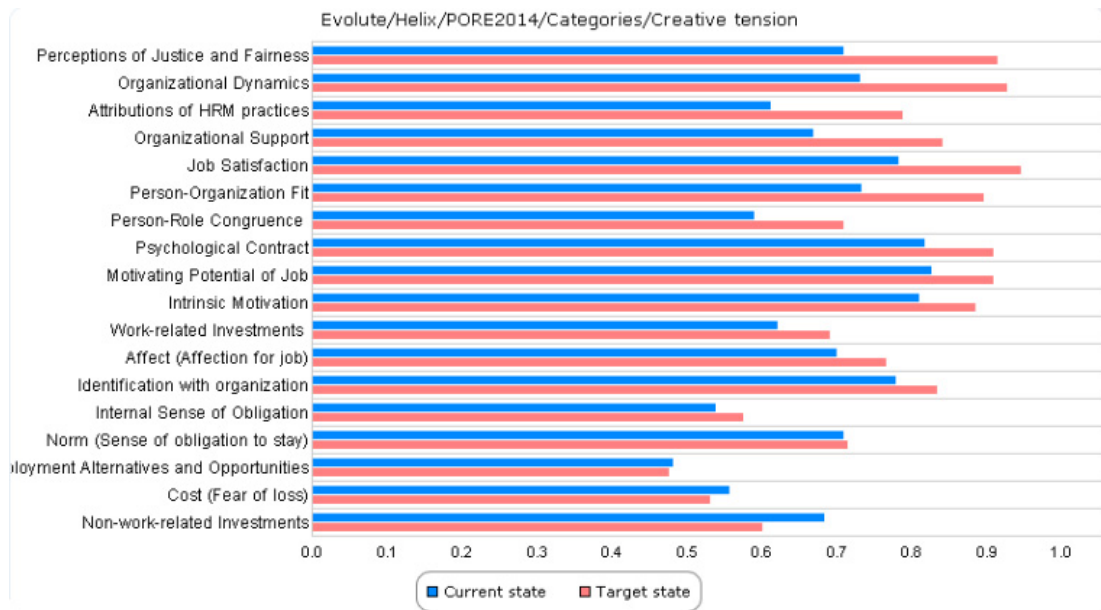


Fig. 3. Sample of category level results sorted based on highest creative tension.

Figure 3 shows the same results but arranged based on the highest creative tension. This figure highlights the need for improvement based on the respondents' answers. This figure shows that the respondents feel there is most room for improvement in justice and fairness the employees feel they receive from their organization. When looking at the lowest categories in the figure, it seems that the respondents are somewhat bound to their organization on the basis of various non-work-related ties and they wish these to be at a lower level in the future.

Figure 4 shows the same results as Figure 3, but broken down to feature level results. According to this figure the respondents feel that there should be most change in compensation they are receiving and in information sharing within the company, in addition to making formal of procedures and quality of given feedback. The feature level results are more interesting to look at when planning specific development activities and when wishing to see clearly how different aspects of working life are experienced. However, the importance of the results should be considered case by case basis, for example when looking at features such as satisfaction to received compensation. In addition, when looking at features like general loyalty it must be emphasized that the current value gives more information than the creative tension since target values are not easy to define or as highly pursued.

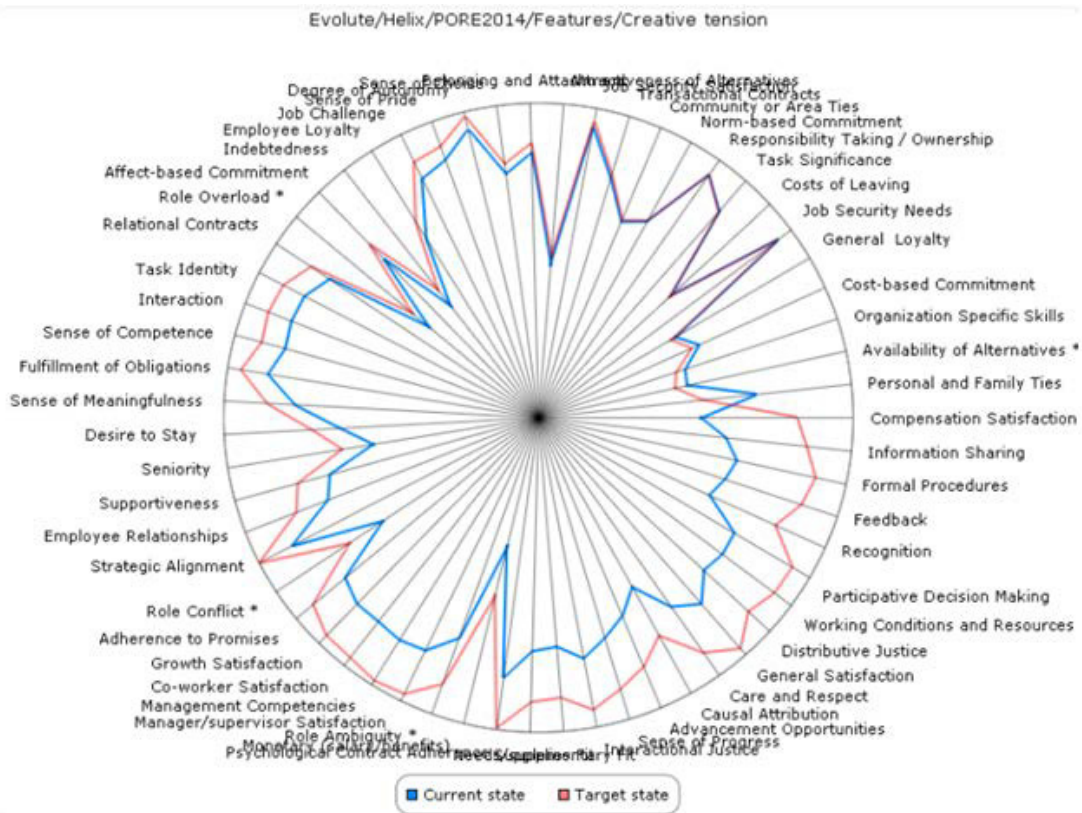


Fig. 4. Sample of feature level results sorted based on highest creative tension.

3. Conclusions

The information gathered using the application can be used to see the type of commitment the employees have and whether the employees feel engaged in their work, their work setting and organization. This sort of information can be argued to be very important and helpful for management when assessing employee feelings and motivation both currently and also in the future.

By using a new type of personnel survey as a decision-support system, it is easy for management to collect employee opinions widely and effectively. Using the survey instrument, management can acquire a shortlist of the most important HR practices that are likely to have the highest impact on engagement and commitment. However, such instruments can only give rough guidelines for the matter in hand because of the differences in people, cultures, and the constantly changing environment. Nevertheless, they provide considerable evidence about employees' feelings and information to support management decision-making. Therefore, managers and leaders should actively use this valuable information for improving decisions, and take full advantage of its potential.

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