



Short Communication

A Study of Organisational Commitment in Banks

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Abstract

Organizational Commitment is one of the dimensions of job attitude. Organizational Commitment is a part of white or blue collar's commitment, which is sum total of Commitment of Career, job Commitment, and Commitment of Organization. Commitment of organization is important for efficiency of employees, excellence and best output of an organization. The work settings where a person carries out its routine work, the behavior his boss does with him and subordinates, the relationship between colleagues and even the relationship with vendors and end users and other stake holders, all these elements are highlighting the Organizational Climate. Organizational climate is created by the organization in a broad sense having communication with each other, of the organizational mechanisms, namely organizational culture, organizational structure, processes and system, leadership behaviour and emotional needs of the members of the organization. This is an empirical study which aims at measuring level of organisational commitment and organisational climate in banks. For the study, sample size was 100 and z test was applied for data analysis.

Keywords: Organisational Commitment, Organisational Climate, Motivation, Job Satisfaction, Organisational performance.

Introduction

Organizational Commitment: Organizational Commitment is a component of job attitude of an employee which can be seen in his or her behavior at the workplace. Organizational Commitment is a mixture of job satisfaction, job involvement and Organizational Commitment. Since it is a blend of both attitudinal and behavioral approaches, organizational commitment is defined as employee's acceptance, participation and enthusiasm towards reaching organizations goals. Organizational commitment is no doubt vital for productivity, good performance and quality of an organization. Many evidences regarding commitment of job and its association with job satisfaction has been mentioned in the studies. Findings highlight that the degree of commitment of job can also be affected by a variety of factors such as compensation, colleagues, supervision, organisation's background and job satisfaction level of employees.

Organizational commitment means "The relative strength of an individual's identification with and involvement in a particular Organization"¹. "Strongly committed employees are more likely to remain with the organization than are those with weak commitment. Commitment may even be better predictor of turnover than job satisfaction because it is influenced less by day to day happenings than is job satisfaction"².

Employee Commitment: Human Resource Management also talks about work commitment. Basis for bringing HR policies is to enhance degree of commitment so optimistic outcomes can ensue. There have been two leading conceptualizations of

commitment of organizations in past studies related to sociology. It shows the loyalty of employees towards the workplace and a workforce's purpose to stay with the organization. Loyalty is an affective reply to, and in addition with an organization, based on a sense of responsibility and duty. Loyalty is emphasized to be a vital overriding variable between the settings of work, and the expectations and standards/morals of employees, and their choice to leave or stay. Rewards given to the employees help in motivation and are expected to increase loyalty and commitment, which will ultimately reduce the likelihood of leaving the job. Employees loyalty becomes reasonable with length of job, which also highlights the negative relationship found between employees 'tenure and employee turnover.

Career Commitment: Commitment Career means recognition with, and participates in, one's occupation. Research has been done in similar concepts: occupational commitment, professional commitment, local difference and professionalism.

Work Commitment: Work commitment talks about neither about a workplace nor one's career, but to service there. It covers motivation towards work, involvement in job and work involvement. Studies show that work commitment is having relationship with other modes of commitment.

Review of Literature: "Affective Commitment (AC) varies significantly by country and is strongly related to dimensions of personality. AC is high in countries where the population is extravert and low in countries where the population is neurotic. AC is also found to be high in countries where the population is

happy. AC tends to be slightly higher in countries with low levels of unemployment and high economic activity rates but is unrelated to per capita national income. AC is negatively related to societal cynicism and positively to egalitarian commitment³.

Clifford J. Mottaz⁴ tried to find the relationship between individual characteristics, work rewards, work satisfaction and organizational commitment among workers. It was found by authors that work rewards and work satisfaction has a greater impact on Commitment level of workers. Smeenk et. al.⁵ found "Among Pakistani male and female workforce relationship between work motivation, job satisfaction and organizational commitment". The study analyses that the general behavior of the private sector employees towards work motivation and job satisfaction may build higher levels of organizational commitment. In Downtown hotel, survey of employees revealed that there is a relatively strong correlation between job satisfaction and organizational commitment⁶.

Emery Charles R et. al.⁷ examined that "the effect of transactional and transformational leadership on the organizational commitment and job satisfaction with a sample of customer contact personnel in banking and food store organizations. The results indicate that the transformational factors of charisma, intellectual stimulation and individual consideration are highly correlated with job satisfaction and organizational commitment than the transactional factors of contingency reward". In the banks of Greece, organizational commitment of frontline employees plays a mediating role on work motivation and job performance⁸.

Meyer and Allen⁹, Dunham, Gruba and Castaneda¹⁰ found that "identified three types of organizational commitment: affective, continuance and normative". Affective commitment is defined as employee emotional attachment to, identification with, and involvement in the organization and its goals. It results from and is induced by an individual and organizational value congruency. As a result, it becomes almost natural for the individual to become emotionally attached to and enjoy continuing membership in the organization¹¹⁻¹⁴.

Steers¹⁵ and Mottaz¹⁶ found in their study that "identified factors which help create intrinsically rewarding situations for employees to be antecedents of affective commitment. These factors include such job characteristics as task significance, autonomy, identity, skills variety and feedback concerning employee job performance, perceived organizational support or dependence (the feeling that the organization considers what is in the best interest of employees when making decisions that affect employment conditions and work environment), and the degree that employees are involved in the goal-setting and decision-making processes. Continuance commitment is defined as willingness to remain in an organization because of personal investment in the form of non transferable investments such as close working relationships with coworkers, retirement investments and career investments, acquired job skills which

are unique to a particular organization, years of employment in a particular organization, involvement in the community in which the employer is located, and other benefits that make it too costly for one to leave and seek employment elsewhere. Normative commitment is induced by a feeling of obligation to remain with an organization". Feeling of commitment frequently results from what Wiener¹⁷ characterized as "generalized value of loyalty and duty. This is an almost natural tendency to be loyal and committed to institutions such as family, marriage, country, religion and employment organization as a result of socialization in a culture that places a premium on loyalty and devotion to institutions. This view of commitment holds that an individual demonstrates commitment behavior exclusively because he or she believes it is the moral and right thing to do".

Schwartz and Tessler¹⁸ found that "personal norms as the factor accountable for what Wiener referred to as a behavior normative pressure, that makes organizational commitment an ethical compulsion because the individual understands he or she ought to do so. This feeling of moral compulsion is examined by the degree to which a person feels that he or she should be committed to his or her work place, make sacrifice to help it out and not criticize it". Wiener and Verdi¹⁹ found that "Common to all of the three types of commitment is the outlook that commitment is a mental state that i. characterizes the employee's associationship with the organization, and ii. has implication for the decision to continue or discontinue membership in the organization. Employees having a strong affective commitment stay with an organization because they want to, those with a sound continuance commitment remain because they have to, and those with a sound normative commitment remain because they feel they ought to Meyer, Allen and Smith²⁰. Allen and Meyer²¹ identified, however, that these three classifications of commitment are theoretically and empirically distinguishable. Even though there appears to be some overlap between affective and normative commitment, both were found to be relatively independent of continuance commitment. Therefore, they can be measured separately. Over the years, two basic practices have been used to study organizational commitment. Each approach offers a slightly different definition. The commitment-related attitude approach defines organizational commitment as a partisan, affective attachment to the goals and values and to the organization for its own sake, apart from its purely instrumental worth²².

Porter, Crampton and Smith²³ identified that "it as the willingness of an employee to exert a high level of effort on behalf of the organization, a strong desire on behalf of the organization, and an acceptance of its major goals and values".

According to Mowday, Steers and Porter²⁴, attitudinal commitment represents a state in which an individual identifies with a particular organization and its goals and wishes to maintain membership in order to facilitate these goals. The commitment-related behaviour approach focuses on a

behavioural pattern guided by internalized normative pressures to act in a way that meets organizational goals and interest²⁵. Wiener and Gechman²⁶ stated that “the style of behaviour ensuring commitment should have the subsequent qualities: i. should reveal personal sacrifices made for the organization; ii. Should demonstrate diligence - the behaviours should not depend mainly on environmental pedals such as punishment or reinforcements, and iii. It should show a personal preoccupation with the organization, such as devoting a enormous deal of personal time to organization-related actions and thoughts. Organizational commitment is considered as i. readiness of an individual to know with and the wish not to leave an organization for self-centered interest; ii. readiness to work unselfishly and work to the achievement of goals of an organization; iii. readiness to make sacrifice at personal level, perform beyond expectations and to undergo difficult times with an organization-- low tendency to "bail-out" in hard times iv. understanding and accepting values and goals of the organization.”

Objective of Study: i. To compare organizational commitment in government/nationalized and private banks.

Hypotheses: H₀₁: There is no significant difference in organisational commitment of government /nationalised banks and private banks.

Research Methodology

The Universe: For the study, the universe is Indore district, MP.

The Study: The study is a descriptive study which has been done in banks.

Sampling unit: Employees of Nationalized and Private Banks of Indore district. Questionnaires were distributed to around 118 respondents but finally 100 completely filled questionnaires were received. i.e. 50 respondents from employees of Nationalized banks and 50 respondents from and Private banks.

Tools for data collection: Primary data was collected through scale of Organisational commitment (developed by Dr. Anukool M. Hyde and Ms. Rishu Roy). The reliability of the scale is 0.89 and validity is 0.94.Secondary data has also been used for the research work.

Tools for data analysis: In this study, the data was tabulated and analysed with Z-test (at 5% level of significance).

Results and Discussion

Result: Table-1 indicates that there is no significant difference in the level of organisational commitment among the employees of private sector banks and nationalized banks.

H₀₁ is not rejected because value of Zcal<1.96. It implies that there is no significant difference between the organisational commitment of government/nationalized banks and private banks. Gurvinder Kaur found that “A Comparative Study of Public, Private and Foreign banks in Some North Indian States An independent -samples t -test was conducted to compare perceptions regarding psychological empowerment in the public sector bank employees and private sector bank employees. There was no significant difference in the scores for psychological empowerment in PSBs (M=4.35, SD=.43) and private sector bank employees (M=4.33, SD=0.49) t (398)=0.46, p = 0.20. These results suggest that the ownership type does not have an effect on the perceptions of employees regarding their sense of empowerment.

**Table-1
 Organisational Commitment**

Bank	Respondents	Mean	S.D.	Z value
Nationalized Banks	50	119.38	3.62477	1.54492
Private Banks	50	118.26		

In the current scenario, salary structure is very good in private banks which are at par with Nationalized banks. Private Banks offer better working condition, retirement benefits and compensation benefits etc. than before. Number of private banks has been increased in past few years with a greater degree of benefits which was missing earlier and employees used to quit private banks soon but nowadays employees are continuing there for a quite long period of time”.

Conclusion

Study throws light on the fact that there is no significant difference in organisational commitment of employees working in nationalised and private banks. There was a time when private bank employees were low paid but now they have a good salary structure. Organisational commitment does not come out of salary but organisations have to provide better working conditions and other monetary and non monetary benefits. Improving productivity and recognizing work of employee will be the major factor to increase the commitment towards the organisation.

In order to increase the productivity, every organisation must pay them competitive wages; create and administer policies that are unbiased; offer competitive benefits; provide timely, accurate, and useful performance appraisals; promote the most qualified employees; and develop employees by offering opportunities for growth.

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