The Relationship Between Organizational Commitment And Turnover Intentions

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ABSTRACT

The aim of the study was to determine the relationship between organizational commitment and turnover intentions among employees in the Apparel companies in Trincomalee District. For this purpose, information from primary and secondary sources was collected. The primary information was collected from 150 operational employees who are working in the selected Apparel companies in Trincomalee District using simple random sampling technique. The quantitative analyses were done using Statistical Package for Social Science (SPSS) version 22.0.

The instrument for data collection was questionnaire. Mean, Standard Deviation (SD), the Pearson Correlation is used for this study to determine whether a significant relationship exists between organizational commitment and turnover intentions and multiple regressions were used to test the hypotheses at 0.05 probability levels. The findings revealed moderate level of intention to turnover among operational employees in the Apparel companies in Trincomalee District.

A statistically significant relationship between organizational commitment and its various dimensions namely, affective, continuance and normative commitment was found with turnover intentions. Further, when exploring the dimensions of organizational commitment and turnover intentions, normative commitment was found to be the strongest predictor of turnover intentions.
Keywords: organizational commitment, turnover intentions, affective commitment, continuance commitment and normative commitment.

1. Introduction
As the global economy is moving from an industrial era to one that is becoming increasingly knowledge-based, organizations are becoming more dependent on employee skills and knowledge as a source of competitive advantage and also as a means of increasing organizational performance. This has led to increased levels of employee commitment towards. Given this trend, the tendency would be to assume that organizational commitment would be a key predictor of employee performance in organizations. However, there seem to be contradictory results on the relationship between organizational commitment and organizational performance. Some scholars have suggested that a productive way of examining the relationship between organizational commitment and organization performance would be to examine the relationship between organizational commitment and organization performance (Bartlett, 2001:336).

Since the main objective of this study is to examine the relationship between employee perceptions of organizational commitment and its impact on turnover intentions, this section provides a theoretical background of the key research variables which includes the concepts of employee perceptions of organizational commitment and turnover intentions. This will be achieved by discussing the concept of organizational commitment and turnover intentions as a planned behaviour and the consequences of turnover; and reviewing relationships among the three concepts based on empirical evidence.

2. Research Questions
The study considers the following research questions.

✔ What is the relationship between Organizational commitment and turnover intention in apparel industries?
✔ What is the relationship between Affective commitment and turnover intention in apparel industries?
What is the relationship between Normative commitment and turnover intention in apparel industries?

What is the relationship between Continuance commitment and turnover intention in apparel industries?

3. Research Objectives

Based on the research problem, five objectives were developed for the study, as mentioned below:

- To examine the relationship between Organizational commitment and turnover intention in apparel industries.
- To examine the relationship between Affective commitment and turnover intention in apparel industries.
- To examine the relationship between Normative commitment and turnover intention in apparel industries.
- To examine the relationship between Continuance commitment and turnover intention in apparel industries.

4. Literature Review

4.1 Organizational Commitment

In today’s competitive business environment, organizations are constantly seeking ways to improve business performance. Commitment has been identified as a tool for enhancing organizational performance (Nijhof, De Jong & Beukhof, 1998:243). The concept of organizational commitment has received significant attention in recent years, especially in the area of human resource management where organizational commitment has become a major objective (Nehmeh, 2009:3). This is due to the awareness that organizations can influence their employee commitment through HRM policies and practices.
Organizational commitment has been defined as “the relative strength of an individual’s identification and involvement in a particular organisation” (Mowday, Porter & Steers, 1982:27; Pool & Pool, 2007:353). More committed employees will most likely remain with an organization for a longer period of time than less committed employees (Brum, 2007:2). The more committed an employee is to an organization, the more effort exerted by the employee towards achievement of organizational goals (Nehmeh, 2009:5).

Organizational commitment has been studied from various perspectives, which are categorized into three different schools of thought: the behavioural, attitudinal and the three-component model which is an integration of both the attitudinal and behavioural approach. The behavioural approach to organizational commitment highlights an employee’s investment in an organization in terms of time, relationships and pensions, such investments bind an employee to the organization. Behavioural approach to organizational commitment highlights the process of how employees are locked into the organization and how they handle this process (Mowday et al., 1982). It also focuses on the benefits associated with belonging to an organization. Therefore, an employee will engage in certain behaviour not because it is the right thing to do but because of the perceived benefits or cost minimized from engaging in such behaviour. A limitation of this approach is that it is based on the underlying assumption that behaviour is multidimensional; as a predictor of a particular behaviour, it can also be used to predict other behaviours (Roodt, 2004).

The attitudinal approach draws on contribution from different researchers. Kanter (1968:449) stated that commitment is the willingness to give loyalty and energy to an organization. Mowday, Steers and Porter (1979:226), characterized organizational commitment by three factors. They include: a strong belief and acceptance of an organization’s values and goals, a willingness to exert effort on behalf of the organization and a desire to maintain membership with the organization. However Meyer and Allen (1991:2) outlined the differences between three of the more common attitudinal components of organizational commitment. They proposed a three-component conceptualization; these include the affective, continuance and normative commitment. Literature (Newman et al., 2009) has shown that most research on organizational
commitment has adopted the three-component model of affective, normative and continuance commitment developed by Meyer and Allen (1991). The widespread adoption of the three-component model can be linked to its approach on organizational commitment as a multidimensional construct. Bentein and Meyer (2004:1) affirm that organizational commitment is a multidimensional construct whereby an employee can demonstrate different levels of commitment to all three components at any given time.

Affective commitment refers to the employee’s emotional identification with, attachment to and involvement with an organization. The continuance organizational commitment refers to cost and losses which employees associate with leaving an organization, while normative organizational commitment refers to a sense of obligation an employee feels towards supervisors, subordinates and other third parties to remain in the organization.

Based on available literature, affective commitment is viewed as the most prominent predictor of organizational commitment, which is the sole determinant of turnover and absenteeism (Somers, 1995). Strong emotional commitment has also been proven to lower rates of absenteeism and turnover (Jackson & Schuler, 2000). Curtis and Wright (2001:60) argue that employees with strong affective commitment remain with an organization by choice as opposed to employees with strong continuance commitment who stay with an organization based on their needs. Employee performance is also dependent on affective commitment (Wasti & Can 2008).

4.2 Turnover Intentions
Both theory and practice (Ongori, 2007:49) have shown that employee contributions to the organization are intangible and cannot be easily duplicated and that committed and skilled employees are the only source of sustained competitive advantage (Perryer, Jordan, Firms & Travaglione, 2010:911). Hence it is vital for organizations to minimize employee turnover as this constitutes a critical problem to the organization in terms of loss of talent and other cost associated with employing and training new employees (Anvari et al., 2010:3391).
Employee intention to leave an organization can be the best predictor of actual turnover (Anvari et al., 2010:3394). Turnover intention is described as a cognitive process of thinking, planning and desiring to quit one’s job (Mobley cited in Ahmad, Shahzad, Rehman, Khan & Shad, 2010:586). It involves a multistage process composed of various components such as an employee’s decisions, attitude and behaviour (Martin & Roodt, 2008:25).

The Theory of Planned Behaviour proposes that planned behaviour is a good predictor of actual behaviour (Martin & Roodt, 2008:25) and this is consistent with research findings that have successfully demonstrated that behavioural turnover intentions have consistently correlated with actual turnover (Fox & Fallon, 2003:3). Turnover intention can be seen as a mental decision, mediating between an employee’s attitude towards their job and subsequent behaviour to either stay or quit their job (Sager, Griffeth & Hom, 1998:255).

The relationship between turnover intentions and other variables, such as age, job tenure and gender has been studied. Findings show that the younger the age, the higher the turnover intentions (Chiu & Francesco, 2003). However, conflicting results were found in terms of turnover intentions and its relationship to tenure. Some findings have shown a positive correlation between turnover intentions and tenure (Jacobs, 2005), while others have shown a negative correlation (Chiu & Francesco, 2003). However, no significant relationship was established between gender and turnover intentions (Lambert, Hogan & Barton, 2001).

4.3 An Overview of the concept of Organisational Commitment

Organizational commitment is defined as “the relative strength of an individual’s identification with and involvement in a particular organization” (Pool & Pool, 2007:353). Their definition of commitment highlights three characteristics of commitment: a belief and acceptance of values of the organization, a strong willingness to put in effort for the organization and a desire to remain with the organization (Nijhof et al., 1998:243). These three characteristics show that commitment is not just an attitude but also behaviour.
Due to the dynamic business environment, employees in modern learning organizations are increasingly expected to show motivation, initiative and effort towards organizational success. Employees are viewed as one of the most important assets of a business, especially in service-oriented organizations where organizational performance is dependent on successful service delivery by employees (Evans, Campbell & Stonehouse, 2003:71).

The success of an organization does not depend only on the organization’s ability to utilize available human competence but also on the ability of the organization to stimulate employee commitment towards the organization. Employee commitment in addition to a competent work force will help ensure that an organization remains competitive and succeed in a dynamic business environment (Nijhof et al., 1998:243).

Bentein and Meyer (2004:1) are of the opinion that this interest, to a large extent, is due to the demonstrated link between commitment and turnover. Bartlett (2001:337) affirms that most of the interest in organizational commitment can be attributed to the positive impact it has on both employee behaviour and organizational outcomes. This issue in particular has received significant attention in the area of human resource management. Nehmeh (2009:5) asserts that this is due to the awareness that organizations can influence employee commitment through human resource policies and practices.

Most studies on commitment have focused on organizational commitment but some have showed a distinction between organizational and task commitment (Peters & Meijer, 1995). According to Gallie and White (1993), organizational commitment can be described as an acceptance of organizational values and the willingness to stay or remain with the organization by the employees, while task commitment refers to the effort employees put into their jobs. Nijhof et al., (1998:243) combine both definitions of organizational and task commitment to define commitment as, a sense of loyalty to and identification with the organization, the work and the group to which one belongs.
Due to the lack of consensus in construct definition and measure of commitment (Meyer & Allen, 1991:61), a short overview on the different approaches to the study of commitment becomes very important. The different theoretical approaches on the subject of commitment can be broadly divided into the behavioural and attitudinal approaches.

4.4 Antecedents and consequences of employee turnover

Employee skills and knowledge are vital factors for an organization’s performance and competitiveness. Hence, employee retention is very important for the functioning and competitiveness of an organization (Kyndt, Dochy, Michielsen & Moeyaert, 2009:195). Theoretical and empirical literature have also shown that employee contributions to the organization are intangible and cannot be easily duplicated, therefore skilled employees are the only source of sustained competitive advantage (Perryer et al., 2010:911). It is therefore vital for organizations to minimize employee turnover as this constitutes a critical problem to the organization in terms of loss of talent and other costs associated with employing and training new employees (Anvari et al., 2010:3391).

Literature has consistently demonstrated that turnover intention is the most significant antecedent for actual turnover (Fox & Fallon, 2003:3). This was corroborated in the empirical study by Shields & Ward, (2001:692) which showed that 79% of nurses who reported their intention to leave, actually left their jobs within a year. More attention should therefore be paid to variables that have the potential to directly and indirectly influence employees turnover intentions (Lambert, Hogan and Barton, 2001:236). An employee’s turnover intention should actually be more beneficial information to the employer than actual rates of turnover in an organization. If the antecedents to turnover intentions are better understood, it provides the employers an opportunity to institute changes that can influence turnover intentions.

Although several studies have been conducted to investigate the antecedents of turnover intentions, Ongori (2007:50) has argued that their findings are inconsistent. For instance, the relationship between age and turnover intention have been studied and results have not been
consistent. Martin and Roodt (2008:29) in their study established that employee turnover intention decreased with age, while in the study by Carbery et al., (2003:672) no significant relationship was found between age and turnover intentions. Level of educational attainment is another factor which has been studied as a possible antecedent of turnover intentions. Similarly, the results have not been consistent. Benson (2006:185) established that turnover intentions were higher with employees who attained higher level of development, such as college degrees, than employees who participated in informal on-the-job training. However, in another study, hotel managers with higher level of education did not show higher level of turnover intentions (Carbery et al., 2003:672). It could be argued that perhaps psychological dimensions of employment relationship are more salient in explaining turnover intentions (Carbery et al., 2003:671). Breach of psychological contract has also been established as influencing employee turnover intentions (Sturges et al., 2005:835). Carbery et al. (2009:673) attest that organizational commitment appears to be a significant variable in explaining turnover intention. Job satisfaction has also been linked to having a significant relationship with turnover intentions (Martin & Roodt, 2008:28). Whatever the antecedents, employee turnover can have negative impact on the organization. Employee turnover represents an exodus of human capital from the organization and the subsequent replacement process presents different cost implications for the organization (Ongori, 2007:51). Cost of a replacement involves scouting the labour market for a possible replacement, selecting from a pool of applicants, induction, and providing both formal and informal training for the new recruits. This takes financial, human and time resources to achieve. Ongori (2007:51) affirms that in addition to these replacement costs, output is affected to some extent or output can be maintained at the cost of paying overtime.

Employee turnover also leads to loss of human capital and corporate knowledge (Davidson et al., 2010:458) and for every time an employee leaves an organization, there is the possibility that besides the loss of human capital, a competitor may be gaining these “assets” (Stovel & Bontis 2002:304). Therefore, if a high turnover rate is not properly managed, it may have a negative impact on the organization as its cost implications have substantial impact on the operating cost, as well as profitability of the business (Davidson et al., 2010:451).
Turnover intention was shown to be a predictor of actual turnover behaviour. Committed employees in general are less likely to have turnover intentions. As a result increased organizational commitment of employee’s lead to lower turnover intentions. Organizational commitment was also shown as an important predictor of organizational outcomes such as turnover.

5. Conceptual framework

Affective Commitment

Continuance Commitment

Turnover Intention

Normative Commitment

6. Methodology

The purpose of this research is to empirically investigate the relationship between organizational commitment and turnover intentions and the influence or organizational commitment on employee intention to turnover in the Apparel Industries in Trincomalee District.

6.1 Sample Selection

Employees from the leading apparel industries located in the Trincomalee District were selected on simple random basis to collect information regarding employee intention to turnover. Data were collected issuing questionnaire to 150 employees.

6.2 Data Collection Methods and Instruments

This study was carried out based on primary data. Structured questionnaire was used to collect data. The Questioner comprised of statements on the variable. Likert scale of 1-5 which ranges from “Strongly Disagree” to “Strongly Agree” was applied in the questionnaire to identify
responses. The numerical values were given for the purpose of quantification of variable as follows:
1. Strongly disagree
2. Disagree
3. Neither Agree nor Disagree.
4. Agree
5. Strongly agree

6.3 Data Presentation, Analysis and Evaluation

Data has been presented using tables. Meanwhile descriptive analysis was used for data analysis. Hence under the descriptive analysis, mean and standard deviation were derived from the analysis of 150 respondents. Statistical package of SPSS 22.0 has been used for this purpose. Furthermore criteria shown in table were adopted to evaluate mean values.

Table 1. Decision rule for univariate analysis

<table>
<thead>
<tr>
<th>Range</th>
<th>Decision attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ≤ Xi ≤ 2.5</td>
<td>Low level</td>
</tr>
<tr>
<td>2.5 &lt; Xi ≤ 3.5</td>
<td>Moderate level</td>
</tr>
<tr>
<td>3.5 &lt; Xi ≤ 5.0</td>
<td>High level</td>
</tr>
</tbody>
</table>

Source- Formed for this research

Past research have indicated affective commitment as the strength of an individual’s recognition with and participation in a particular organization (Porter et al., 1974), continuance commitment occurs from the recognition that one would mislay valued “side bets” upon leaving the organization, while normative commitment shown the readiness to stay with the organization due to wisdom of moral obligation (Wiener, 1982). The three forms of organizational commitment which are affective commitment, continuance commitment and normative commitment indicated that every aspect of its findings is related to turnover intention within the organization.
Hypothesis 1: Affective commitment has a significant relationship with employees’ turnover intentions.

Hypothesis 2: Normative commitment has a significant relationship with employees’ turnover intentions.

Hypothesis 3: Continuance commitment has a significant relationship with employees’ turnover intentions.

Organizational commitment was measured with the 24-items scale taken from Meyer and Allen (1997). There were three dimensions of organizational commitment which are affective commitment, continuance commitment and normative commitment. Every each of the forms consists of 8-items. Participants responded on 5-point Likert-type scale from 1” (Strongly Disagree) to “5” (Strongly Agree). The reliability for affective commitment sample item shows Cronbach’s Alpha of 0.87, continuance commitment with 0.75 and normative commitment is 0.79 (Allen & Meyer, 1990). A sample item for affective commitment is, ‘I would be very happy to spend the rest of my career with this organization’. The sample item for continuance commitment is, ‘I am not afraid of what might happen if I quit my job without having another one lined up’. For normative commitment, the sample item is, ‘I think that people these days move from company to company too often’.

Turnover intentions were measured with three items adapted from Vigoda-Gadot and Kupin (2005), which it is reported to have an alpha of 0.84 for the private sector organizations. The response scale ranged from “1” (Strongly Disagree) to “5” (Strongly Agree). The three sample items are, ‘I often think about quitting’, ‘I will probably not stay with this organization for much longer’, and ‘Lately, I have taken an interest in job offers in the newspaper’.

7. Data Presentation,

The relationship between Organizational Commitment and Turnover Intention - The hypothesis (H1) examined whether there is a significant relationship between organizational commitment
and turnover intention. Results indicated that 43.8% variances in turnover intention can be explained by OC (R2 = 43.8, p < 0.01). The result indicated that all three organizational commitment dimensions are found to have significant relationships with turnover intention, which are affective commitment (β = -.213, p < 0.01), normative commitment (β = -.096, p < 0.01) and continuance commitment (β = -.070, p < 0.01) Thus, H1, H2 and H3 are supported.

Table 3. Organizational commitment and turnover intention

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>Std. Coefficient Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover Intention</td>
<td>Affective commitment</td>
<td>-0.213**</td>
</tr>
<tr>
<td></td>
<td>Normative commitment</td>
<td>-0.096**</td>
</tr>
<tr>
<td></td>
<td>Continuance commitment</td>
<td>-0.070**</td>
</tr>
<tr>
<td></td>
<td>R²</td>
<td>0.438</td>
</tr>
<tr>
<td></td>
<td>Adjusted R²</td>
<td>0.429</td>
</tr>
<tr>
<td></td>
<td>Sig.F</td>
<td>46.621**</td>
</tr>
</tbody>
</table>

Note: Significant levels: **p<0.01

8. Discussion and Conclusion

The data analysis shows that all the hypotheses are accepted. Turnover intention has a significant relationship with organizational commitment. The literature review earlier showed mixed findings concerning the relationship between organizational commitment and turnover intention in the hospitality industry. However, the findings are consistent with previous studies showing that there is a significant and negative relationship between organizational commitment and employees’ turnover intention (Ben-Bakr et al., 1994).

Furthermore, three dimensions of organizational commitment which is the affective commitment, normative commitment and continuance commitment show a significant and
negative relationship towards employees’ turnover. Affective commitment have a better prediction on turnover intention since the factor are considering the employees’ emotional attachment with the organization whereas the continuance commitment only holds the perception of employees’ in terms of their cost of living by staying with the organization.

This will be of immense benefit to the organization as employees with affective commitment are more committed and will remain longer with the organization due to their emotional attachment to the organization.

9. References


22. Nehmeh, R. 2009. What is organizational commitment? Why should managers want it in their workforce and is there any cost effective way to secure it? Working paper for Swiss Management Centre.


