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A Review of Constructs of Organizational Commitment and Employee Engagement

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ABSTRACT

The organizations, in present economic scenario, are experiencing progressively demanding challenges. Among others, the main challenges are to improve and maintain the productivity, profitability, engagement and retention of potentially talented workmen in the organization itself. The biggest challenge before top management of today's organizations is to engage their workmen and the level of workmen commitment towards organization. Engaged employees are found to have greater levels of job satisfaction. Engagement is also found inversely related to employee turnover. The purpose of this review article is to investigate the constructs of employee engagement and organizational commitment and their effect on employee's job performance as well as organization's overall performance.

KEYWORDS: Organizational commitment, Employee engagement, Organizational citizenship behavior, Job satisfaction, Organizational performance.

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1. INTRODUCTION

Present day business organizations are exposed to increasingly difficult challenges. Such challenges include (1) providing its employees a productive work environment focusing on performance, and (2) employee motivation. The top management of the business enterprises needs to explore the potential of the employees and take out the best of them. In turn to exploit the competence of the employees, they need to be engaged¹. Employees, if dissatisfied, would leave organizations and join their competitors focusing and providing employees' job satisfaction. Engaged employees experience higher intensity of job satisfaction. Therefore, it is important for business enterprises to engage its workforce. Researches across the globe have significantly proved that employee engagement results in declining employee turnover which in turn implies high degree of employees' commitment^{2,3,4}.

Furthermore, the investigators of employee engagement have explained the significance of engagement. These researches have shown a very obvious cause-and-effect association between employee engagement and its outcomes. Engaged employees demonstrate greater levels of organizational citizenship behavior (OCB), superior job performance, discretionary efforts and initiatives, affective and continuance commitment^{5,6,7,8}.

Workforce of any business enterprise is a very vital resource. Success of any business enterprise is a function of efforts and performance of its employees. Thus, it is very essential to understand the factors that affect employees' behavior and their motivation levels at workplace. Researches show that motivated employees are more likely to make 'engaged workforce'.

Organizational commitment, similar to employee engagement, is also closely linked with workers' productivity and performance of business enterprises. Committed workers are more devoted to their organizations. For successful survival of business enterprises in today's increasingly competitive economic scenario, it is of utmost importance for them to ensure a committed workforce. The notion of organizational commitment has noteworthy consequences for business enterprises. Organizational commitment can predict the urge and stability of an employees' loyalty to the business enterprise⁹. Employees, who feel high degree of organizational commitment, are hypothesized to demonstrate more positive and constructive job behaviors viz. higher job performance, organizational citizenship behaviors, etc.

2. ORGANIZATIONAL COMMITMENT: LITERATURE SURVEY AND REVIEW OF THE CONSTRUCT

Organizational commitment, over the last 20 years, has been greatly highlighted by the researchers of this concept. Organizational commitment has obtained a large amount of empirical studies showing both its antecedent and outcome¹⁰.

Attentiveness towards the causes and consequences of commitment at the place of work is significantly vital, not only for academicians and researchers, but also for employers. Employees committed to their employers are easily retained. Organizational commitment is valued for: (1) it can forecast attrition rate, (2) highly committed employees achieve better results at workplace, and (3) it could be an indicator of organizational worth¹¹. Organizational commitment is an emotional attachment of an employee with his/her organization¹².

Organizational commitment is considered as a job attitude, as it is related with individual's belief and approach about the business enterprise¹³.

Strong and favorable association between employees and their organizations results in favorable outcomes for both. Organizational commitment indicates three facets of employee attitudes that states the level to which the employees demonstrate a strong inclination to stay in the organization, to exert serious and sincere efforts for organization, and recognition of the goals of the organization¹⁴.

Allen & Meyer, proposed a three component model of organizational commitment. **Affective commitment:** referring to employees' psychological connection and involvement in with the organization. **Continuance commitment:** means consciousness about the costs involved in leaving the organization. **Normative commitment:** implies an onus to remain with the organization¹³.

Organizational commitment denotes to an employees' trust in organization's objectives and values, urge to continue as a member of the organization and truthfulness to the organization^{15, 16}. The concept of commitment is seen chiefly as an amalgamation of three elementary components i.e. affective, normative, and continuance dimensions of commitment¹⁷. Researches also showed that women are required to be treated in a different way than men if commitment is an objective of any organization¹⁸.

2.1 Predictors of Organizational Commitment

As already mentioned, organizational commitment is an important ingredient of employees' performance at workplace, it is of utmost relevance to find out the antecedents of organizational commitment. Organizations, comprising of men, material, and machines are organic systems having their own sense and style of reacting and responding to various changes. Kinnie et al. suggested a

positive and favorable linkage between satisfaction with HR policies & practices commitment to the organization¹⁹. Mullins found that participative and democratic style of supervision is more productive resulting in more commitment of employee's to the organization²⁰. Trust perception with respect to procedural and distributive justice also have impact on employees' commitment towards organization. Perception of trust moderately mediates the association between distributive justice and affective commitment²¹. Self-efficacy is also found positively associated with commitment. Strong belief in self gets converted into commitment to the organization²². Chen Huei-Fang & Chen Yi-Chin revealed in their study that job redesign may escalate employee's psychological empowerment and, subsequently, increases employees' commitment to organization²³. Mathew Jossy & Ogbonna Emmanuel in their research taken into account organizational cultures having the possibility to offer a sense of cohesion and unity, thus having a substantial effect on commitment¹⁰. The observations revealed that cultural policies viz. empowerment, recruitment, and ample employee benefits could be helpful for this purpose.

Employee well-being and commitment are also found positively correlated with each other²⁴. Amicable supervisor-subordinate relationship and coworker's interactions are also found to have positive effects on job satisfaction as well as affective commitment and continuance commitment²⁵.

Age and tenure of employees are found to have positive association with organizational commitment. The relationship of organizational commitment with work environment and job security was found favorably correlated. However, participation in decision making and salary are found to have low correlation with commitment²⁶.

3. THE CONCEPT OF EMPLOYEE ENGAGEMENT: LITERATURE SURVEY AND REVIEW OF THE CONSTRUCT

The concept of 'engagement' became popular with the research conducted by Kahn in 1990. Kahn suggested that the level of engagement is enhanced when job involved relationship with peers and support and help from supervisors²⁷. He revealed meaningfulness, safety, and availability three psychological conditions are closely related with work engagement²⁷. Employee engagement is the psychological and emotional association between the organization and its employees, apart from the extrinsic pecuniary rewards like salary increments, bonuses and other incentives, a positive and favorable atmosphere in the organization also elevate the employee to the level of an engaged employee. Engaged employees offer more efforts, display sincere concerns about job roles, and are psychologically involved in contributing as an employee of the organization. Engaged employees go one step beyond for their work, they bring their minds and hearts to their jobs, and feel linked with

achievements of the business organization. Engaged employees believe that their efforts for their work are valued.

The investigations of Corporate Leadership Council in 2004 revealed that higher levels of employees' engagement may result in an upsurge of their performance up to 20 percentile points and also reduction in employees' possibility to leave by 87%. The findings of The Hay Group in 2001 its work titled 'Engage Employees and Boost Performance' also corroborate that offices with engaged employees were around 43% more productive (in terms of revenue produced per consultant) than offices with disengaged employees.

May and others found that engaged employees are more careful and attentive than disengaged employees which results in decreased rate of accidents and greater safety ratings²⁸. There is also a positive correlation between engagement and income generation & growth²⁹.

3.1 Predictors of Engagement

Employees in the starting years of their career are less engaged in comparison to the experienced and senior employees having long tenure³⁰. The challenging work, career growth possibilities, relationships at work, equitable pay, participative management practices were also found as significant predictors for employee retention³⁰.

Leaders' fairness in dealing with employees and recognition of employees' good performance will have progressive and favorable effects on employees' engagement by inducing a sense of involvement to the job. Greater the trust on leader, greater will be sense of belongingness in return³¹. Work engagement has been observed positively linked with job satisfaction while the same was found negatively linked with strain and burnout³². Job resources like support from peers and supervisors, skill variety, feedback, job autonomy, and developmental opportunities are positively connected with work engagement³³. There are four reasons for better performance of engaged employees: (1) they generally have positive emotions viz. joy, and enthusiasm; (2) they have better health; (3) they craft their own job and resources; and (4) spread their engagement to other employees³³.

Working conditions including health hazards, temperature, and noise are expected to be associated with engagement³⁴. Psychological safety climate (PSC) augments favorable change in engagement³⁴.

Employee engagement is also found related with intangible variables such as sense of fairness and justice, and psychological contract an employee expect respectively. Psychological contract is an outcome of organizations' practices, policies, and work environment which ultimately affect employee engagement. Apart from that, organizational citizenship behavior and organizational

commitment are also observed positively related with engagement³⁵. Meaningful work and supportive work environment are also found as significant factors that can affect employee engagement⁴.

Employee's performance if not given due consideration results in their disengagement. If a supervisor is absolutely ignorant of employees, 40% of them will be disengaged in their job roles. If a supervisor focuses on employee's weaknesses, 20% will be disengaged. However, only 1% of employees will be disengaged if the supervisor concentrates on employee's strengths³⁶.

Employee engagement is an emotional and behavioral consequence that leads to superior employee performance which ultimately increases the business results (Aon Hewitt, 2013).

4. ASSOCIATION BETWEEN ORGANIZATIONAL COMMITMENT AND EMPLOYEE ENGAGEMENT

Organizational commitment and employee engagement are two important dimensions positively related with each other. Engagement breeds favorable connections between job resources (such as social support, job control, feedback of performance etc.) and desirable organizational outcomes (such as commitment and task performance). Positive job attitudes like job involvement, job satisfaction, organizational commitment seems to be related with work engagement³⁷. The notion of employee engagement is derived from the affective commitment³⁸. Employee engagement is observed as highly affected with end variables such as job involvement, organizational citizenship behavior, and organizational commitment³⁵. Organizational commitment is a good predictor of employees' engagement³⁵.

5. CONCLUSION

In present scenario where employees have become a strategic resource for organizations, employee performance and employee retention has become a great challenge for employers. Practitioners as well as academicians have argued that competitive advantage can be achieved by ensuring an engaged and committed workforce. There is no single definition of either engagement or commitment which is universally accepted. However, all eminent works on engagement and commitment validate that both the constructs have strong and positive effect on organizational performance and employee satisfaction. Which further corroborate that despite of seemingly different than each other, organizational commitment and employee engagement are actually complementary with each other. Most of the research works demonstrates that feeling of being valued by management, procedural and distributive fairness, open and two way communication, employer's inclination to invest in employee well-being, and availability of growth opportunities are

some of the essential drivers of employee engagement. Whereas HR policies, organizational culture, supervisor-subordinate relationship, job redesign, participative and democratic leadership style, and self-efficacy are found as strong predictors of organizational commitment. The literature shows that both engagement and commitment are closely linked with organizational positive outcomes. Organizations with engaged and committed workforce are more likely to experience improved productivity, better rate of employee retention, customer satisfaction, growth, and profitability. Therefore, there is a need for practitioners as well as researchers to explore these constructs to ensure employee development and organizational success to the fullest of their strengths.

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