The Relationship Between Employee Commitment and Job Performance

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ABSTRACT

Committed employess give a big contribution to organizations because they perform and behave on achieving organization's goals. Furthermore, workers who are committed to their organization are happy to be members of it, believe in and feel good about the organization and what it stands for, and inted to do what is good for the organization.

Surprisingly,some new findings suggested that stated commitment is largely unrelated to performance. In fact, there is positive and significant relationship between commitment to supervisors and performance. It means commitment to supervisors become a good predictor to performance than commitment to organizations.

Keywords : employee commitment, job performance, organization commitment

EMPLOYEE COMMITMENT AS A COMPETITIVE ADVANTAGE

For managers, the age of predictability is over; the age of uncertainty has begun. Intensified global competition, deregulation, and technical advances have triggered an avalanche of change, one that many firms have not survived (Dressler, 1993,p.3). Some following facts could explain that situation. Bank failures rose from single digits in the 1970s to 10 in 1980, 120 in 1985, and almost 200 annually in the early 1990s (World Almanac, 1991,p. 157). Some estimate that almost 20 million people were displaced in the 1980s by restructuring in manufacturing, and the percent of those employed in service jobs jumped from 70 percent in 1980 to almost 78 percent in 1991 (Herz, 1990).

Americans firms, once dominant players in the market of phonographs and TVs, have seen their market share drop to 1 percent for phonographs and 10 percent for TVs; in 1990 in the United States, once the undisputed leader in telecommunications apparatus, exported just over $9 billion worth of such apparatus and imported over $22 billion worth (World Almanac, p. 673). In the past 10 years three US airlines- Eastern, People's Express, and Braniff- have ceased operations, while others, including Pan Am and US air, have either been taken over or have had to sell substantial shares. Still other airlines, including TWA, Northwest, and Continental, are barely holding on; even the giant of the industry -American-lost $280 million in the two years ending 1991, in spite of revenues of $13 billion in the second of those two years, and Delta-long known for its stability and job security-had to turn to lay-off toward the end of 1992 (Zellner et al., 1992, p.51).

Major currency prices, once stable, now swing as much as 30 percent per year, and US banking system faces a crushing trillion dollars in developing-country debt (World Almanac, p.823).

In the United States, cutthroat competition has been fed deregulation, the increasingly global nature of competition, and a tapering off in population trends. (The US labor force should grow at 1.3 percent per year through 2005 compared with 1.9 percent annual growth for 1975-1990). Japanese auto firms have bypassed Chrysler as this nation's third-largest auto maker, and Intel Corp. President Andrew S. Grove predicts an industrywide shakeout among PC makers, noting that "There are 500 suppliers-and 450 shouldn't exist" (Arnst, 1992, p.68). In 1991 IBM suffered its first drop in companywide sales since the 1940s (The Economist Yearbook, p.167). By 1993 its stock price had fallen to an 11-year low, and the firm was contemplating the first forced layoffs in its history.

A wave of junk-bond-financed mergers continues to reverberate in restructuring in industries ranging from apparel to retailing to financial services. Everywhere, new competitors spring up overnight, consumers demand ever-better quality, and factory demand ever-smarter workers, and computers increasingly link buyers and sellers in symbiotic chains.

In this environment, the future belongs to those managers who can best manage change; but to manage change we must have committed employees (Dessler, 1993, p.4). Committed employees are valuable factor managers use in order to achieve organizations' goals. Therefore, employee commitment could be as a competitive advantage for organizations.

ORGANIZATIONAL COMMITMENT AND JOB PERFORMANCE

Committed employees give a big contribution to organizations because they perform and behave on achieving organizations' goals. Furthermore, workers who are committed to their organization are happy to be members of it, believe in and feel good about the organization and what it stands for, and intend to do what is good for the organization (George and Jones, 1996,p.85). Thus, we could say that there is any relationship between organizational commitment and job performance. However, surprisingly, previous research suggested that organizational commitment is largely unrelated to job performance (Mathieu & Zajac, 1990). In addition, Mowday et al. has also concluded that the link between commitment and performance is largely nonexistent (1982).

Organizational commitment refers to the psychological attachment of workers to their workplaces (Allen & Meyer, 1990; O'Reiily & Chatman, 1986). Commitment to organizations is positively related to such desirable outcomes as job satisfaction (Bateman & Stasser, 1984; Mowday, Porter, & Steers, 1982), motivation (Mowday, Steers,& Porter, 1979), and attendance (Mathieu & Zajac, 1990; Steers & Rhodes, 1978) and negatively related to such outcomes as absenteeism and turnover (Clegg, 1983; Cotton & Tuttle, 1986). Also, Horton stated that stronger commitment could result in less turnover and absenteeism, thus increasing an organization's productivity (Schuler & Jackson, 1996, p. 302). However, the relationship between organizational commitment and job performance is more tenuous (Becker, Billings, Eveleth, & Gilbert, 1996). For instance, Mathieu and Zajac's (1990) Meta analysis showed that the confidence interval around the mean

correlation between organizational commitment and performance included zero. Thus, they concluded "commitment has relatively little direct influence on performance in most instances" (1990:184).

Because organizational commitment is an important determinant of the experience work and central to understanding and managing organizational behavior (George & Jones, 1996, p.67), I am interested to know whether it is right that they are largely unrelated to each other. Moreover, It is also interesting for experts to conduct other research. As Benkhoff says the main reason why commitment has been one of the most popular research subjects in industrial psychology and organizational behavior over the past 30 years is its impact on performance (1997, p.701).

THE NEW FINDINGS

There are three new findings that explain more specifically about commitment-performance relationship. Definitions used in those researches are little bit different. Term 'commitment' intended is employee commitment and is larger than the meaning of organizational commitment. It means commitment owned by employees. Each researcher has different focus. Then, term 'performance' has similar meaning to job performance. It does not only mean individual performance but also might mean organizational performance. So it depends on which meaning the researchers want to use. Those findings by Stephen L. Fink, Thomas E. Becker et al., and Birgit Benkhoff will be explained as follows.

1. The finding of Stephen L. Fink (1992).

He explains that employee commitment is only one of many factors affect performance, but certainly is a key factor. He defines commitment as an attitude that develops from a process called identification, which occurs when one experiences something, someone, or some idea as an extension of oneself. While all research on commitment treats it only in terms of identification with organization, that is, its goals, values, and mission, on the other hand, he focuses on three-dimensional concept including identification with the work itself and with co-workers. He is sure that these are equally important because they can have powerful effects upon employee performance (P.8).

As basis of his research he makes an interactive model that proposes 1. Good management practices result in an effective reward system and employee commitment, 2. An effective reward system results in enhanced employee commitment and employee performance, 3. Employee commitment results in enhanced employee performance (p.9). As a results of the research in two companies, whose 418 and 430 employees, respectively, he found that there was significant correlation between employee performance ratings and commitment score in all categories, and also the correlation between performance and commitment for managers and operational employees grouped separately were significant in all categories (p.63). The higher the level of employee

commitment to work, co-worker, and organization, the higher the level of performance (p.69).

2. The finding of Thomas E. Becker, Robert S. Billings, Daniel M. Eveleth, & Nicole L. Gilbert (1996).

The conclusion that commitment is largely unrelated to job performance is based upon the conventional view of commitment, which is that employee attachment involves "the relative strength of an individual's identification with and involvement in a particular organization'' (Mowday et al., 1982:27). In contrast to this conventional view, a number of theorists and researchers have begun to view employee commitment as having multiple foci and bases (Becker et al., 1996). Foci commitment are the individuals and group to whom an employee is attached (Reichers, 1985). Bases of commitment are the motives engendering attachment (O'Reilly & Chatman, 1986).

It has been known for some time that employees can be committed to such foci as professions (Gouldner, 1958) and unions (Gordon, Beauvais, & Ladd, 1984), as well as to organizations (Mowday et al., 1982). Recent research has suggested that workers can also be differentially committed to occupations, top management, supervisors, co-workers, and customers (Becker, 1992; Meyer, Allen, & Smith, 1993; Reichers, 1986). With respect to the bases of commitment, early research suggested that different motivational processes underlie single attitudes. According to Kelman (1958), compliance occurs when people adopt attitudes and behaviors in order to obtain specific rewards or to avoid specific punishments. Identification occurs when people adopt attitudes and behaviors in order to be associated with a satisfying, self-defining relationship with another person or group. Finally, internalization occurs when people adopt attitudes and behaviors because their content is congruent with the individuals' value systems.

After conducting a larger project to all 1,803 members of May 1993 graduating class of large northwestern university, Becker et al. found that commitment to supervisors was positively related to performance and was more strongly associated with performance than was commitment to organizations. Further, internalization of supervisors' and organizations' values was associated with performance but identification with these foci (targets) was not.

3. The finding of Birgit Benkhoff (1997)

She states that many authors are not yet prepared to resign themselves this puzzling conclusion (p.702). Randall for instance, in a Meta analysis on the consequences of commitment suggested that further research should explore "different models to account for the organizational commitment-work outcome relationship" (1990:376). Based on the Randall's suggestions she do research by collecting data through a postal survey in high street bank in Germany. The questionnaires are sent out to the 340 employees of 41 bank branches.

As a result of her investigation of the link between employee commitment an organizational performance in terms of sales targets met and change in profits in the branch network of a bank, she found that employee commitment is significantly related to

the financial success of bank branches. In addition, supervisory commitment appears to have a particularly strong impact on the outcome indicators.

As a result, generally, we could say that there is a significant and strong relationship between commitment and job performance (Fink, 1993; Becker et al., 1996; Benkhoff, 1997). However, we should notice that each finding above results in specifically different things. Fink finds that there is significant correlation between employee performance and commitment in all categories (work, co-worker, and organization but the two last findings suggests that commitment to supervisors is positively related to performance and is strongly associated with performance than is commitment to organizations (Becker et al., 1996; Benkhoff, 1997). Furthermore, commitment based on internalization of supervisory and organizational values is related to performance (Becker et al., 1996).

CREATING COMMITMENT

According to the new findings, right now managers can be surer to utilize employee commitment as one of important factors to boost job performance in workplaces. Next questions show up then are why managers need to create employee commitment and how to create it.

The answer of the first question is because of the change of the business environment. The business environment has been changing and asks organizations to have high competitiveness. As mentioned before, committed employees are a competitive advantage for organizations in the situations, which are fully uncertainty and intensified global competition as right now and will be in the future.

The firms, such as Delta Airlines, Toyota Motor Manufacturing, USA, Ben & Jerry's, Federal Express, Goldman, Sachs, IBM, Mary Kay Cosmetics, J.C. Penney, Publix, and Saturn Corporation have survived and most have thrived- in part because their managers know that in rapidly changing world competitive advantage lies not in machines or patents but in people, people who will improvise and innovate and invest themselves personally in their companies. Under conditions of rapid change committed employees give the competitive edge to these firms (Dessler, 1993, p.4, 5).

Many ways can be used to create employee commitment especially to supervisors in order to produce high performance in organizations. Becker et al suggest that enhancing commitment to a supervisor's goals and values can be done via leadership *training, socialization, and team building* (1996, p.477). Leadership training is intended to the role of managers. Managers as a leader need to be role models for their subordinates, by being committed. Also, they need to empower subordinates in their jobs and roles (Fink, 1992, p.125). Intense socialization results in increased commitment to the success of the company, willingness to work long hours, and decreased absenteeism and turnover (Schuler & Jackson, 1996, p. 302). Team building, a common method of improving relationship within a group, is similar to process consultation except that all members of a group participate together to try to improve their work interactions. For example, group members discuss with a change agent who is trained group facilitator the quality of the

interpersonal relationship between team members and between the members and their supervisor (George & Jones, 1996, p. 624).

On the other hand, Dessler suggests the keys, which are the best practices to creating employee commitment, called "commitment wheel" as seen in figure 1. He says creating commitment requires a comprehensive program. First of all, it is called *people-first values*; it's futile to try to create commitment unless people-first values-top management trust and respect for people-exists. The second is *double-talk*, that is, express a willingness to hear and be heard or use open and candid two-way communication. It could help build trust. The third is *communion*, that is, foster a sense of connectedness, belonging, and participation among employees in a whole. It will make employees see that they are part of a cohesive, satisfying community, one that has a shared fate. The fourth is *transcendental mediation*, that is, formulate shared transcendental ideologies, missions, and values, and mechanisms for communicating these values to employees. It makes employees to be crusaders. The fifth is *value-based hiring*, that is, use it to select employees whose values are compatible with those of the firms. Start by clarifying firm's own ideology so that its elements can be translated into concrete questions, tests, and exercises and thus be made part of firm's screening process. The sixth is *securitizing*, that is, make it clear that you are committed to doing your best to provide employees with job security. The seventh is *hard-side rewards*, that is, offer packages of above-average pay combined with incentives and extensive benefits. The eighth is *actualizing*, that is, engage. It aims to ensure that all employees have an opportunity to use all their skills and gifts at work, to become all they can be (Dessler, 1993). Summary of the best practices in creating employee commitment can be seen in appendix A.
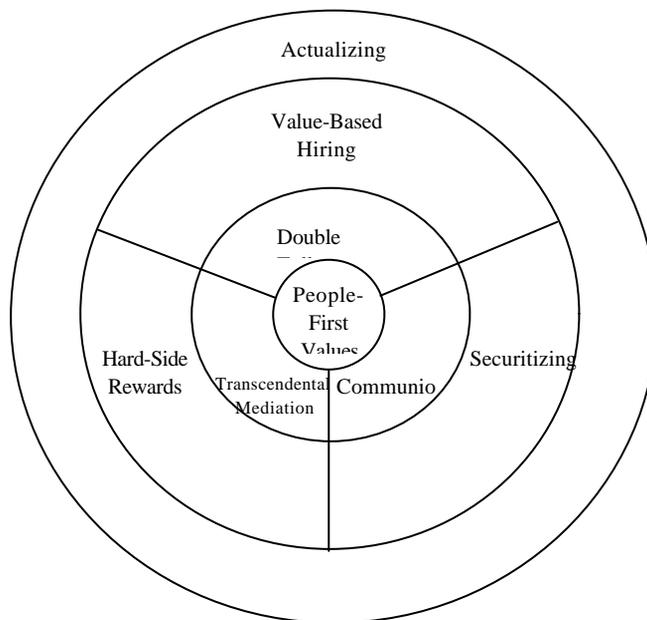

Figure 1. The commitment wheel
(Dessler, 1993, p. 13)

CONCLUSIONS AND RECOMMENDATIONS

Based on the new findings and the situation of the business environment explained above, some conclusions and recommendations can be drawn as follows:

1. The previous conclusions that stated commitment is largely unrelated to performance are dropped by the new findings.

2. In fact, there is positive and significant relationship between commitment to supervisors and performance. It means that commitment to supervisors become a good predictor to performance than commitment to organizations.

3. Consequently, in order to increase performance in organizations, creating employee commitment to supervisors is more valuable than to organizations. Therefore, managers should focus on their strategies to this.

4. Committed employees have a vital role in organizations for its surviving and its competing in the rapidly changing world. Therefore, managers should make programs in order to improve the leadership capabilities of supervisors so that employees' commitment can be increased, as Becker et al. and Dessler suggest.

5. Internalization of supervisors' and organizations' values has an important role in enhancing performance because it was associated with performance. Efforts to internalize the values of supervisors and organizations through socialization and team building are very important.

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APPENDIX A : HOW BEST COMPANIES TO CREATE EMPLOYEE COMMITMENT   (Dessler, 1993, p. 11-12)

KEY	Ben & Jerry's	Delta Air Lines	Federal Express	Goldman, Sachs	IBM	Mary Kay Cosmetics	J. C. Penney	Publix	Saturn Automobile	Toyota Motor Mfg
People-first values	•	•	•	•	•	•	•	•	•	•
Double-talk										
Guaranteed fair treatment programs	•	•	•	•	•		•	•	•	•
Speak Up! programs	•	•	•	•	•			•	•	•
Periodic survey programs	•	•	•	•	•		•			
Top-down programs	•	•	•	•	•	•	•	•		•
Communion										
Homogeneity	•	•	•	•	•	•	•	•	•	•
Communal sharing	•	•	•	•	•	•	•	•	•	•
Communal work	•	•	•	•	•	•	•	•	•	•
Regular group contact	•	•	•	•	•	•	•	•	•	•
Ritual	•	•	•	•	•	•	•	•	•	•
Transcendental mediation										
Company ideology	•	•	•	•	•	•	•	•	•	•
Company charisma	•	•	•	•	•	•	•	•	•	•
Ideological conversion	•	•	•	•	•	•	•	•	•	•
Symbols, stories, & rites	•	•	•	•	•	•	•	•	•	•
Value-based hiring										
Clarification of values	•	•	•	•	•	•	•	•	•	•
Rejection of most applicants	•	•	•	•	•	•	•	•	•	•
Exhaustive screening		•	•	•	•	•	•	•	•	•
Matching of values	•	•	•	•	•	•	•	•	•	•
Realistic job preview		•	•	•	•	•	•	•	•	•
Self-selection & sacrifice	•	•	•	•	•	•	•	•	•	•
Securitizing	•	•	•	•	•	•	•	•	•	•
Hard-side rewards										
Above-average pay	•	•	•	•	•	•	•	•	•	•
Risk participation	•	•	•	•	•	•	•	•		•
Limited pays grades	•	•		•	•	•	•	•	•	•
Salaries, not wages	•	•	•	•	•	•	•	•	•	•
Above-average benefits	•	•		•	•	•	•	•	•	•
Actualizing										
Commitment to actualize	•	•	•	•	•	•	•	•	•	•
Front-loading			•	•	•	•	•		•	•
Enrich and empower policy	•	•	•	•	•	•	•	•	•	•
Promote-from-within programs	•	•	•	•	•	•	•	•	•	•