



# Organizational commitment of employees: a study on AXIS and HDFC banks of Chhattisgarh, India

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## Abstract

*This study aims to determine the impact of personal factors on organizational commitment among the employees of Axis and HDFC bank of Chhattisgarh. In this empirical study, the dependent variable is organizational commitment. It is classified into three components as affective, normative and continuous commitment. The independent variable is personal factor and their parameters. A survey-based exploratory and conclusive research design was used. The data was collected from employees of Axis and HDFC bank of Chhattisgarh through structured questionnaires. To check the validity Principal component analysis with varimax rotation was used and for the reliability of the instrument Cronbach's coefficient alpha were used. Regression analysis was used to determine the causal relationship between both the independent & dependent variables. The result from this empirical investigation is in accordance with the research hypothesis, which states that personal factors have significant impact on organizational commitment.*

**Keywords:** Organizational Commitment, Personal Factor, empirical investigation etc.

## Introduction

Work in today's organization is characterized by increasing complexity, rapid change and increasingly competitive business environment. Traditional employment relationships are gradually shifting towards business oriented employment relationship, which has led into decreased satisfaction and motivational levels both professionally and personally, hence, loyalty of employees towards their organization is declining. Due to this transformation, organizational commitment is now-a-days viewed as an important organizational challenge, as numerous negative consequences are associated with decreased commitment level of employees. Hence, organizational commitment has become an issue of utmost concern in today's dynamic environment, as the organizations have realized now, if they want to survive for a longer period of time, there employees must be committed towards the organization.

Hence, now-a-days organizational commitment as a construct is widely discussed and deeply researched topic among the researchers. The main reason of this study is to understand the dynamics of organizational commitment in the light of the consequences of low commitment levels. The objective of this study is identifying the factors effecting organizational commitment and their impact on commitment among the employees of Axis and HDFC bank of Chhattisgarh.

**Literature review:** It is quite that organizational commitment is a complicated concept and requires indepth study to understand it at length. However, it has not been understood in its wider

scope, more often it has been simply perceived of as more of an attitudinal construct linked with continued participation of an employee in his/her organization<sup>1</sup>.

Organizational commitment studies the overall attachment of an employee to his/her organization. Porter et al.<sup>2</sup>, opine that it is a strong belief an employee has in his/her organization and his/her acceptance to the organization's values and goals. They went on to tell that an employee's willingness to exert considerable effort into the organization work is also related to the concept of organizational commitment.

Organizational commitment can be looked at from multiple dimensions. Meyer and Allen<sup>3</sup> suggested that committed employees tend to stay longer with the organization and feel attached to the organization through its ups and downs. Committed employee tends to stay with the organization through ups and downs.

While many researchers have researched on the various aspects and constructs of organizational commitment, Mowday, Steers and Porter<sup>4</sup> stated that organizational commitment consists of three mainly: i. Employees feeling of strong identification with the organizational goals and values; ii. Employee's willingness to stretch himself/herself for the organization; iii. Employee's desire to continue to work for organization.

Among organizational commitment key definitions, Meyer and Allen<sup>5</sup> defined it from three different perspectives: affective, continuance, and normative commitment.

Three-component model of organizational commitment as developed by Meyer and Allen<sup>5</sup>, constitutes three constructs of organizational commitment i.e. affective commitment, normative commitment and continuance commitment as shown in Figure-1.

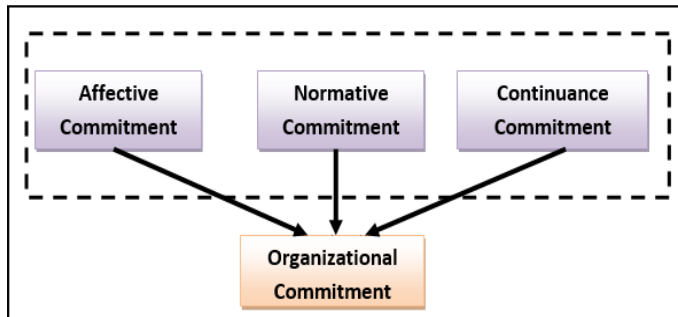


Figure-1: Three-component model of organizational commitment<sup>5</sup>.

Meyer and Allen<sup>6</sup>, suggested that employees with a strong affective commitment remain with the organization, out of their desire to do so. Employees with strong normative commitment tend to stay ones with strong normative commitment stay because they feel they have to do so, failing which they may have to deal with consequences associated with leaving the organization.

### Methodology

**Research objectives:** For the purpose of this study, the following research objectives are set: i. To identify the antecedents of organizational commitment among bank employees. ii. To analyze the impact of those antecedents on organizational commitment of employees of AXIS and HDFC

Banks of Chhattisgarh State. iii. To suggest strategies to enhance organizational commitment among employees of Axis and HDFC banks of Chhattisgarh State.

**Research variables:** For the purpose of the study, organizational commitment has been considered as dependent variable, which is the area of this study and personal factor have been considered as independent variable as shown in Table-1.

Table-1: Research variables of the study

Independent Variable	Source	Dependent Variable
Personal Factor (A)	Stevens, Beyers, and Trice (1978) <sup>7</sup>	Organizational Commitment (Z)

**Research hypotheses:** For the purpose of the study, fourteen research hypotheses have been formulated:  $H_A$  - personal factors have significant impact on organizational commitment.

**Research measures and instrument:** To measure organizational commitment, 18 item instrument used by Allen and Meyer's<sup>3</sup> has been taken. 45 items from different sources is used to measure Personal Factor comprising of 7 items of Satisfaction Scale developed by Fernand and Awamleh<sup>8</sup>, for job involvement 10 items were used t from the Job Involvement Questionnaire (JIQ) developed by Kanugo<sup>9</sup>, Perceived Organizational Support adapted from Eisenberger et al.<sup>10</sup> is used to measure perceived organizational support and 8 items form perceived organizational support has been taken, 10 items for Perceptions of Fairness (Organizational Justice) on the basis of the of the work of Cropanzo, Bowen and Gilliland<sup>11</sup>, 10 items for personality utilized from "The Personality Big Five Factor Model"<sup>12</sup>.

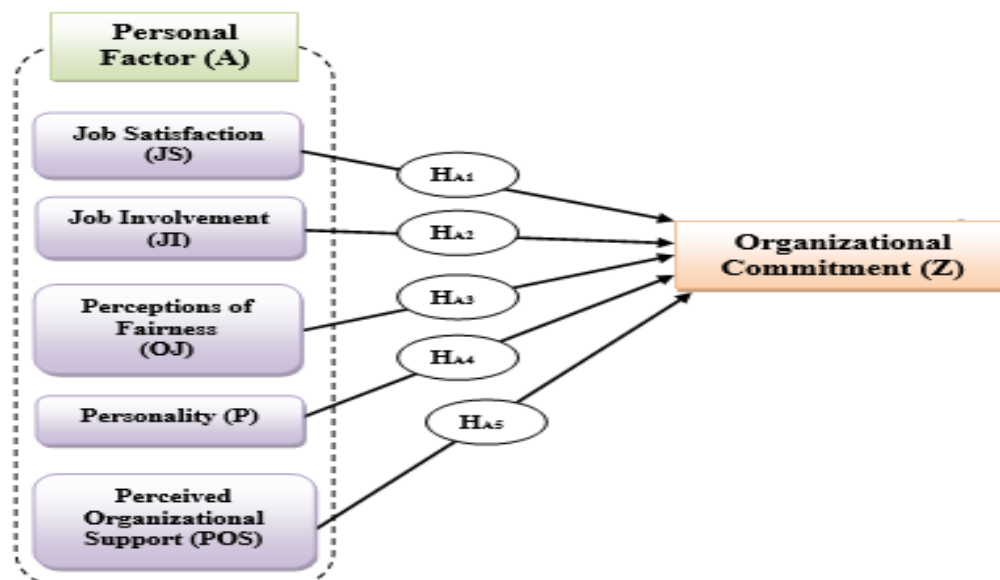


Figure-2: Research Hypotheses of the Study<sup>7</sup>.

**Research procedure:** Primary data has been collected from respondent through structured questionnaire for the study. Getting responses from the respondents Seven point Likert Scale has been used by the researcher. Both primary and secondary data have been used for the study. The data are collected from the employees of Axis and HDFC banks of Chhattisgarh. The sample population for the study consists of all the employees (2520 approx.) of Axis and HDFC banks (126 approx.) of Chhattisgarh.

Non-probabilistic Convenience sampling method was adopted for data collection. Total 500 questionnaire were given to the employees working in Axis and HDFC bank of Raipur, Durg and Bilaspur districts of Chhattisgarh and 418 questionnaires were finally considered and utilized for data analysis after discarding the incomplete and irrelevant responses.

Hence, the sample size of the study is 418, which is more than the acceptable range of responses as calculated for the study.

## Results and discussion

The research hypothesis  $H_A$  is accepted in this study. The results support the studies of various researcher's like Stevens, Beyers, and Trice (1978). It has been found that there is strong relationship between personal factors and organizational commitment ( $r = 0.774$ ). The antecedents identified for independent variable is justified enough to the value of 60% ( $r^2$ ) to test the hypothesis of the impact of personal factors on organizational commitment.

The hypothesis is proved on the basis of the value of  $F_{\text{Calculated}}$  (50.41), which is greater than table value ( $F_{\text{Critical}} = 3.00$ ) and also the significant value ( $p = 0.000$ ) which is less the coefficient of significance (0.05). Therefore, it is proved that the research hypothesis  $H_A$  is accepted. Hence, personal factors have significant impact on organizational commitment.

**Limitations of the study:** The study has certain limitations that need to be taken into account while considering its contributions. However, some of these limitations can be seen as fruitful avenues for future research. This study was conducted on a small size of population from banking industry only, confined to only two private banks of Chhattisgarh State.

Therefore, to generalize the result, the further studies can be conducted on a large group of population, with more number of banks of both public and private sector from other states of India also. Study can be conducted on other industries also. The construct of variables under study was measured through an instrument developed by other researchers in other country. The present study is depending upon quantitative methodology of data collection (though qualitative methodology was used to a limited extent) and is therefore restrictive. In future more of qualitative methodology of data collection should be undertaken to provide wider perspective to the present study.

## Conclusion

As there has been little or no prior research exploring the relationship between personal, factors with organizational commitment among bank employees in India, especially Chhattisgarh, there is not much of an interpretative context to draw upon. Although the study has conducted empirical research with desired hypothesis, dearth of literature in this context limits the scope of the study.

The result of this investigation supports that personal factors have impact on organizational commitment in Chhattisgarh. Employees and the management of the organizations, needs to focus more on significant antecedents and parameters of organizational commitment to enhance the commitment levels among employees to avoid various serious consequences of low commitment towards organization i.e. low productivity, absenteeism and turnover.

The results of this study hopefully suggest that significant parameters of all the antecedents under study may represent what constitutes a theoretically broadened and enriched understanding of organizational commitment of bank employees.

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