

Defining and Creating Employee Commitment: A review of current research

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Introduction

Over the last ten years, the study of commitment has advanced in many different directions. A variety of disciplines have adopted the topic as a theme in their research and these have offered fresh and significant insights. These recent advances include new approaches to both the conceptualisation of employee commitment and the particular human resource practices intended to increase it.

This review discusses the definition of commitment and its creation based on IES' extensive experience of working in this area and a comprehensive literature review. Using the University of Sussex and IES library resources, searches of relevant databases were made. Considerable time was also spent on the Internet seeking useful sites on commitment. The bibliography of sources used is given in Appendix 1.

Current research concerning employee commitment highlights the pitfalls of viewing commitment as a one-dimensional construct that can be enhanced by a particular human resource policy. This assumes that a particular practice, for example offering flexible working arrangements or more training, will have a significant and beneficial effect on employee commitment. Unfortunately, in practice it is not that simple because there is no single solution. All employees' wants and needs cannot be addressed by a single policy.

What is now apparent is that, as long as the organisation has been able to attract the right sort of employees and has provided a suitable work environment, employee commitment will be largely influenced by the interactions that occur between colleagues and with their immediate and senior managers. The relationship between the organisation and the employee, therefore, should be considered as being no different from any other type of relationship. Commitment is complex and continuous, and requires employers to discover ways of enhancing the work life of their employees.

The Benefits of a Committed Workforce

The performance benefits accrued from increased employee commitment have been widely demonstrated in the literature. To list but a few, these include:

- increased job satisfaction (Vandenberg & Lance 1992)
- increased job performance (Mathieu & Zajac, 1990)
- increased total return to shareholders (Walker Information Inc., 2000)
- increased sales (Barber *et al.*, 1999)
- decreased employee turnover (Cohen, 1991)
- decreased intention to leave (Balfour & Wechsler, 1996)
- decreased intention to search for alternative employers (Cohen, 1993)
- decreased absenteeism (Cohen, 1993, Barber *et al.* 1999)

With this in mind, employee commitment should be viewed as a business necessity. Organisations who have difficulty in retaining and replacing competent employees will find it hard to optimise performance. There are not only the immediate expenses of the recruitment process, but other hidden costs such as management time and lost productivity as new employees take time to become effective in their roles.

1. Types of Commitment

We might think of commitment simply in terms of feelings of obligation or emotional attachment. However, in the last 15 years, a growing consensus has emerged that commitment should be viewed as a multidimensional construct. Allen & Meyer (1990) developed an early model that has received considerable attention. The three-component model they advocated was based on their observation that existing definitions of commitment at that time reflected at least three distinct themes: an affective emotional attachment towards an organisation (Affective Commitment); the recognition of costs associated with leaving an organisation (Continuance Commitment); and a moral obligation to remain with an organisation (Normative Commitment).

One important point is that not all forms of employee commitment are positively associated with superior performance (Meyer & Allen, 1997). For example, an employee who has low affective and normative commitment, but who has high continuance commitment is unlikely to yield performance benefits. The main reason such an employee remains with an organisation is for the negative reason that the costs associated with leaving are too great.

In more recent years, this typology has been further explored and refined to consider the extent to which the social environment created by the organisation makes employees feel incorporated, and gives them a sense of identity. O'Malley (2000) contends that a review of the commitment literature produces five general factors which relate to the development of employee commitment:

- **Affiliative Commitment:**

An organisation's interests and values are compatible with those of the employee, and the employee feels accepted by the social environment of the organisation.

- **Associative Commitment:**

Organisational membership increases employees' self-esteem and status. The employee feels privileged to be associated with the organisation.

- **Moral Commitment:**

Employees perceive the organisation to be on their side and the organisation evokes a sense of mutual obligation in which both the organisation and the employee feel a sense of responsibility to each other. This type of commitment is also frequently referred to in the literature as Normative Commitment.

- **Affective commitment:**

Employees derive satisfaction from their work and their colleagues, and their work environment is supportive of that satisfaction. Some researchers (eg Allen & Meyer, 1991) suggest that this is the most important form of commitment as it has the most potential benefits for organisations. Employees who have high affective commitment are those who will go beyond the call of duty for the good of the organisation. In recent literature this form of commitment has also been referred to as 'engagement' and is the form of commitment that is most usually measured by organisations.

- **Structural commitment:**

Employees believe they are involved in a fair economic exchange in which they benefit from the relationship in material ways. There are enticements to enter and remain in the organisation and there are barriers to leaving. This type of commitment is also frequently referred to in the literature as Continuance Commitment.

With reference to the above typology, when an organisation is considering assessing the commitment of its workforce, not only should it ask *how much* commitment exists, but also what *types* of commitment exist.

2. Antecedents of Commitment

2.1 Demographics

A range of demographic variables have been found to be related to employee commitment (Mathieu & Zajac, 1990). For a variety of reasons, age has been found to be a positive predictor of employee commitment. As Mathieu & Zajac (1990) suggest, the older employees become, the less alternative employment options are available. As a result, older employees may view their current employment more favourably. In addition, Dunham *et al.* (1994) suggest older employees may be more committed because they have a stronger investment and greater history with their organisation.

With regard to gender, a number of studies (*eg* Mathieu & Zajac, 1990) have reported women as being more committed than men. This is typically explained by women having to overcome more barriers than men to get to their position in the organisation.

Marital status has also been shown to relate to commitment, with married employees usually showing more commitment (Mathieu & Zajac, 1990). However, it is suggested that the reason for this is because married employees will typically have greater financial and family responsibilities, which increases their need to remain with the organisation. Note, however, that this refers to structural commitment (or continuance commitment) in that the cost associated with leaving the organisation increases commitment to the organisation. As mentioned previously, structural commitment does not necessarily relate to increased performance.

2.2 Recruitment Procedures

O'Malley (2000) suggests that organisations need to pay more attention to addressing employees' social need to affiliate and belong. He argues that employees want to be in environments that make them feel comfortable. Organisations have goals and values, and people recruited by the organisation should share these. The argument here is that in order to create commitment, the organisation must have the right sort of employees in the first instance.

Employees' feelings of belonging start to develop long before employees join the organisation. As Parks & Floyd (1996) point out, there are several things organisations can do to make employees feel welcomed and valued as the recruitment and selection process develops:

- share details about the organisation
- provide employees with help and support throughout the recruitment and selection process
- convey the interests and values that the organisation shares with employees.

Organisations need to be attractive to the right sort of people; thus the initial contact between the organisation and the prospective candidate is very important. As Troy (1998) points out, increasingly organisations are attempting to communicate with prospective employees in a coherent manner by developing an *employer brand*. The brand should condense the basic nature of the organisation, what its values are and what it would be like to work there. The principal purpose of the brand is to efficiently bring employers and employees together in order to establish a relationship. Thus, a good brand should convey both the unique benefits of the organisational environment and the type of person who is likely to do well in that setting. The organisation must then ensure that it delivers these promises to its employees, or its efforts will have been wasted.

In relation to this, much of the dialogue between employers and employees who are evaluating one another stays 'safe'. Discussions focus on work and related areas and do not provide an opportunity to explore personal dynamics. Work is done in a social context, and where and with whom it is done is equally important as the nature of the work itself. Employers should, therefore, devote a portion of the selection process to assessing cultural fit.

2.3 Met Expectations:

This line of research suggests that employees will be more committed if there is a good match between what the person is looking for in a job, and what the job provides (Dawis, 1992). A related notion is that commitment will be greater when employees' experiences on the job match their pre-entry expectations. A meta-analysis by Wanous *et al.* (1992) reported an average correlation of 0.39 between met expectations and commitment. As Sturges & Guest (2000) note, unmet expectations are commonly cited as a cause of dissatisfaction. Such expectations usually relate to the type of work employees are given to do and the opportunities they receive for training and development. With this in mind, realistic job previews (giving candidates real experience of what the job is like) can be very useful. For example, Premack & Wanous (1985)

found a high positive correlation between realistic job previews and commitment.

2.4 Induction and Training

Several studies have demonstrated a link between early job experiences and commitment (eg Mignerey *et al.*, 1995). The induction programme should be the final step of the recruitment and selection process. A good induction programme will make new employees more familiar with and more at ease within the organisation. Employees enter the organisation with an assumption of compatibility and should be welcomed. This will make new recruits more likely to be receptive to feedback and other interventions that encourage social integration.

Training is also an important part of the induction process. Although commitment is not necessarily the intended, or at least most obvious, objective of training, it can nevertheless be influenced in the process. Gaertner & Nollen (1989) found that commitment was related to employees' perceptions of organisational efforts to provide them with training, but not to their actual training experiences. IES research with numerous organisations also supports the relationship between the provision of training and development opportunities for staff and increased levels of commitment and job satisfaction.

2.5 Relationships with Managers

This refers to how the quality of the relationship between managers and their employees relates to the development of commitment. Several studies have found significant positive relationships between the two variables, that is, employees who have good relationships with their immediate managers have greater commitment (Green *et al.*, 1996; Nystrom, 1990; Settoon *et al.*, 1996). Similarly, a recent study by the CIPD (2001) concluded that good relationships between managers and employees is one of the most important factors affecting motivation at work. Employees' commitment reflects their day to day contacts with their line managers about their job, and the way in which objective targets are set. Effective communication on job-related issues is a key ingredient in securing individual performance.

To a great extent, individual line managers are responsible for ensuring that these maintenance behaviours occur. Indeed, managers are key to creating commitment in an organisation, as was demonstrated in Barber *et al.* (1999). With poor management, the most well developed organisational programme can break down at the point of transmission

2.6 Relationships with Colleagues

Although emotional attachment to colleagues in the workplace is an important element of commitment, it is not enough on its own. This important aspect, however, must not be neglected but maintained through frequent, pleasurable contact with peers (Baumeister & Leary, 1995). Unless there is occasion for frequent and rewarding interaction, stronger feelings of belonging that can bind employees to the organisation are unlikely to emerge. Organisations that want to build high levels of commitment should look for ways to build this through group activities both in and out of work.

2.7 Group Membership

To build commitment, being a member of a particular organisation must not only satisfy employees' social need to affiliate and belong, but must also create a sense of collective identity that differentiates the group from other organisations. There are two ways to achieve this (Hogg *et al.*, 1995):

- establish a social boundary that indicates that an identifiable collection of people or unit exists
- The group must assume some evaluative meaning, *ie* the group has to offer something that the employer wants or needs.

There are many situational features that contribute to a sense of group membership. The more exposure that employees have to these features, the more likely they will be to feel like a part of the group and to incorporate that membership into their concept of who they are.

2.8 Organisational Justice and Trust

It is also argued that employees evaluate their experiences at work in terms of whether they are fair and reflect a concern on the part of the organisation for the well-being of the employees (Meyer, 1997). Research findings (*eg* McFarlin & Sweeney, 1992) suggest that employees' commitment to the organisation might be shaped, in part, by their perception of how fairly they are treated by the organisation. It is suggested in the literature that by treating them fairly, organisations communicate their commitment to employees. This suggests that organisations wanting to foster greater commitment *from* their employees must first provide evidence of their commitment *to* their employees.

Organisational justice also has links with the concept of trust. According to Kramer (1999), trust in an organisation can promote the acceptance of organisational initiatives. When there is trust,

employees are willing to suspend judgement and defer to the authority of others. In addition, trust permits organisational flexibility because a payback need be neither immediate nor of equivalent value. O'Malley (2000) identifies four areas in which employees' sense of trust in the employer can be increased:

- **Growth:** As most employees want to be more proficient in their job, a good way to instil trust is to attend to employees' development needs.
- **Work-Life balance:** Most employees would like organisations to allow greater personal time when needed.
- **Individual accommodation:** Acts of organisational flexibility or benevolence toward employees.
- **Health and Safety:** Organisations that are committed to protecting employees' health and safety are more likely to be trusted.

2.9 Promotion

Policies and practices concerning promotion can also affect commitment. For example, Schwarzwald et al (1992) found that commitment was higher among employees who had been promoted, and was also related to employees' perceptions that the organisation had a preference of recruiting from their internal labour market. Such a policy might be perceived as an example of the organisation's commitment to the employee as discussed earlier. Among those who are considered for promotion, the outcome of the decision is likely to have an effect on commitment. But, for some, the perception of fairness in the decision-making process might be even more important. This suggests that organisations should communicate clearly how their decisions were made and why those who did not succeed were not suitable.

2.10 Work-Life Balance

A key issue emphasised by research, especially in recent years, is the extent to which employees perceive they are able to achieve the right balance between home and work. Organisations are beginning to recognise this, and are making more concerted efforts to introduce a host of programmes intended to ease employees' burdens. These include initiative such as: flexible work arrangements; child care; time off policies; elderly care; healthcare; information and counselling; and convenience services to name but a few. A major study by The Families and Work Institute (1998) found that such employer support was related to increased employee commitment.

2.11 Job Satisfaction

How happy an employee is in a job has profound effects on behaviour and commitment. From meta-analyses (eg Iaffaldano & Muchinsky, 1985) it is clear that employees who enjoy their jobs will work harder and stay longer with their employers than employees who do not. In relation to commitment, job satisfaction and work-life satisfaction are very important. Job satisfaction is an enormous area; however, to be concise a satisfying job typically has three properties:

- It has intrinsically enjoyable features: Mathieu & Zajac (1990) found that the strongest correlation with commitment were obtained for job characteristics, particularly job scope (enrichment).
- It provides an opportunity for growth and development.
- It makes employees feel effective in their roles (that they can positively influence organisational outcomes).

A positive relationship between job satisfaction and commitment, using a variety of satisfaction and commitment measures, has been consistently reported in the literature (Balfour & Wechsler, 1990, 1991; Cook & Wall, 1980; Green *et al*, 1996).

2.12 Pay and Reward

As mentioned previously, employees may remain with an organisation because there are constraints against leaving and incentives for staying. It is important for organisations to structure the economics of the relationship in a way that will not obstruct commitment.

One of the reasons to stay in a relationship is because it makes sense economically. Pay makes continuation of the employment relationship worthwhile because there is mutual dependence. Organisations that add on benefits are establishing the foundation for richer forms of commitment by producing a need for the relationship (*ie* creating dependence).

Empirical tests of the administration of benefits have implications for employee commitment. For example, Grover & Crooker (1995) used data collected in a national survey of over 1,500 US workers to examine the relationship between the availability of family-responsive benefits and affective organisational commitment. They found a positive correlation between the availability of such benefits and commitment, even for those who would not benefit directly. They argue that organisations that offer such benefits are perceived by employees as showing greater care and concern, and as being fair in their dealings with employees. Similarly, Cohen & Gattiker (1994) examined the link between organisational commitment and rewards, operationalised as actual income and

pay satisfaction. They found that commitment was more strongly related to pay satisfaction than to actual income.

In summary, as Rusbult & Buunk (1993) contend, people stay in relationships to the extent that they are uniquely dependent on them relative to the alternatives. The more attractive the alternatives and the lower the termination costs, the less people are reliant on the existing relationship for the source of their satisfaction.

3. Summary and Conclusion

This report has presented a review of the current thinking about defining and creating employee commitment, which is an evolving topic currently receiving considerable attention. It has been identified as a multi-dimensional concept which has important impacts on an organisation through its effects on employee performance, turnover and absence, and via its influence on customer attitudes to the bottom line.

Commitment can be divided into five components, each of which are created by different factors. These are defined as follows:

- **Affiliative:** The compatibility of the employee's and the organisation's interests and values.
- **Associative:** The employee's perception of belonging to the organisation.
- **Moral:** The sense of mutual obligation between the employee and the organisation.
- **Affective:** The feeling of job satisfaction experienced by the employee.
- **Structural:** The belief that the employee is engaged in a fair economic exchange.

Affective commitment is the form that has most potential benefit for an organisation, as it directly influences how employees perform their jobs. This form of commitment is increasingly referred to as 'engagement' among HR professionals and is the form most usually measured by organisations.

Organisations that take positive steps to create commitment appreciate that it is a vital component of business success. They recognise that it can take various forms and are able to concentrate on the ones that are relevant to themselves. Commitment is a two-way process which the organisation itself has to initiate. This can be done by creating a clear employer brand and group identity so that the right people are recruited. The organisation then needs to ensure that the values of its brand image are delivered, by treating employees fairly and maintaining trust.

Job satisfaction is an important component of commitment, but should not be perceived as equivalent to it. Commitment has more positive outcomes for the organisation in terms of employee performance. Job satisfaction can be promoted by making work as enjoyable as possible, providing growth and development opportunities and making provisions for staff to assist them in balancing their work and personal lives.

Once established, commitment has to be maintained by ensuring staff have clear roles and responsibilities, and an understanding of what is required of them in their jobs. Good communication and openness throughout the organisation is vital, especially in times of change. The role of line managers should be recognised and positively supported, as it is a vital component in the creation and maintenance of employee commitment.

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