Chapter 2

REVIEW OF LITERATURE
In the last two decades, OC has received special attention and has grown in acceptance in the literature of industrial and organisational psychology, and organisational behaviour. Organisational commitment is the subject of a number of organisational behaviour studies and is considered an important variable in understanding the employee behaviour and attitudes (Mowday, Porter and Steers, 1982; Meyer and Allen, 1984; Farkas, Tetrick, 1989). The literature search indicates that OC is linked to various antecedents ranging from personal variables and organisational characteristics. The present research focuses on QWL as a factor that determines Organisational commitment and its impact on Job performance. The major objective of the literature review is to investigate the concepts and inherent relationship between a number of dominant antecedents and consequences of OC.

Business Process Outsourcing (BPO) has emerged as India's new sunshine sector and the country is now one of the prominent electronic housekeepers of the world, taking care of a host of routine activities for multinational firms. The boom in BPO activities has prompted policy planners to view this sector as better potential avenue to absorb the growing mass of educated youth. According to NASSCOM survey, outsourcing centres in India has shown an impressive rate of 70% growth in its activities. Of late, there are raising anxieties on the sustainability and credibility of the sector, in terms of job creation and provision of superior working conditions. It is also encouraging to note that many people engage in BPO operations at home and try to help the organisations. At this juncture, a study on QWL, OC and JP of employees in ITes Sector is most relevant. It is appropriate to review the previous researches, surveys and studies for a clear understanding of QWL, OC and JP.
The following are the categories based on which the review is scrutinised.

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2.4 Research Highlights linking QWL, OC and JP

2.1 Literature on QWL

   Historically, work has occupied an important place in the life of human beings. How people have thought and felt about the working experience has also been an age old concern for both workers and managers. The term quality of Work Life (QWL) was probably coined originally at the first international conference on QWL at Arden House in 1972 (Davis and Cherns, 1975). Mills (1978) probably coined the term quality of working life and suggested that it had moved permanently into the vocabulary of unions and management, even if a lot of the people using it were not exactly sure what territory it covered. During the twentieth century, social science conceptualisations regarding work have been labelled scientific management, human relations, socio-technical systems theory, and now possibly holistic learning organisations. Cherns (1978) argued that QWL owes its origins to the marriage of the structural,
systems perspective of organisational behaviour with the interpersonal, human relations, supervisory-style perspective.

QWL can be traced back to the quality of working life movement that largely consisted of a number of industrial psychologists in response to a perceived disenchantment with the organisation of work in the late 1960s and early 1970s (Walton, 1973, Littler and Salaman, 1984). QWL has been associated with organisational changes aimed at increasing the levels of job enlargement and job enrichment. Crucially, the idea is that of attaining higher levels of participation and thereby motivation by improving the attractiveness of work itself rather than improving the terms and conditions of work (Herzberg et al., 1959). The term QWL saw its birth at an International Conference in New York in 1972 that suggest sharing knowledge and initiating a coherent theory and practice on how to create the conditions for a humane working life.

In North America, Europe, and Japan, QWL has been quite well received as an approach leading to greater democratisation and humanisation of the work place as well as to greater productivity on the part of the work force. As Thompson (1983) indicated, QWL programs propose a movement toward greater engagement with the cooperation, knowledge, and tacit skills of the work force. Quality of working life has also been viewed in a variety of ways including: (a) as a movement; (b) as a set of organisational interventions, and (c) as a type of working life felt by employees (Carlson, 1980).

2.1.1 Dimensions of QWL

Quality of Working Life (QWL) is best understood if it is seen as a goal, as a process for achieving that goal and as a philosophy setting out the way people should be managed.

QWL focuses on

– Organisational effectiveness
– More challenging, satisfying, effective jobs
The involvement and commitment of people throughout the organisation

People seen as assets not costs

The QWL approach is therefore a broad and flexible strategy which:

- is rooted in the involvement and participation of people at all levels in the organisation.
- recognises the fact that a trade union should be party to and have a stake in the process.
- is aimed at the joint interests of both people and organisations.
- recognises that management and worker representatives have a joint interest and a joint role in creating organisations that meet both business and human needs.
- recognises that the need to respond to markets is usually the initiating force in organisations which drives the introduction of change whether in the office or on the shop floor through the development of technology, new products and services, new forms of organisation and production processes.
- provides an enduring set of best principles and practices designed to release the potential of people at all levels in organisations.
- looks at the organisation ‘as a whole’ with the particular need for all people systems to form a coherent element supportive of other organisational objectives, values, policies and practices.
- is not just a ‘quick fix’ or a ‘plug in package’ which will be a panacea for all organisational and operational problems. The perspective is long- not short-term.
- is not just one vehicle such as quality circles, or job enrichment.

The term refers to the favourableness or unfavourableness of a total job environment for people. QWL programs are another way in which organisations recognise their responsibility to develop jobs and working conditions that are excellent for people as well as for economic health of
the organisation. The elements in a typical QWL program include - open communications, equitable reward systems, a concern for employee job security and satisfying careers and participation in decision making. Many early QWL efforts focus on job enrichment. In addition to improving the work system, QWL programs usually emphasise development of employee skills, the reduction of occupational stress and the development of more co-operative labour-management relations.

The ideas encapsulated by QWL can also be traced in related literatures on working life that deal with similar themes, but without using the QWL terminology. For example, Antonowsky (1987) has focused specifically on the health aspects of work by asking why people were so often fit at work rather than unfit. His research showed that fit employees were associated with jobs where they experienced a sense of context in their duties that were related to three main factors: comprehensibility, manageability and meaningfulness. Focusing similarly on health themes, Maslich and Leiter (1997) have argued that a significant source of stress and even burnout can arise when a conflict of values exists between the main stakeholders of an organisation, namely employees, owners and customers (clients). Quality of work has been defined as ‘better jobs and more balanced ways of combining working life with personal life’ (Eurofound, 2006). As the concept of QWL is multi-dimensional it may not, of course, be universal. However, key concepts tend to include job security, reward systems, pay and opportunity for growth among other factors (Rossi et al., 2006).

Elizur (1990) indicated that since a number of approaches have been taken to defining QWL, discrepancies exist in the use of the term. He pointed out that earlier QWL was seen in terms of availability of jobs, training and mobility, and job security and earnings. Then, QWL was perceived to include working conditions, equitable compensation and job opportunities while more recently, QWL was viewed as involving autonomy, accomplishment, challenge, personal responsibility, chances to make decisions and develop interests and abilities. Numerous
components of a concept of QWL have been suggested, for instance, empowerment (Elden, 1986), emancipation (Alvesson and Wijnjott, 1992), total management (James, 1992), and quality improvement programs (Elmuti and Kathawala, 1994). Values continue to be a cornerstone of QWL today as much as it was yesterday (Hartenstein and Huddleston, 1984; Harris and Moran, 1990).

Surely groups of people from varied socio-cultural contexts will view QWL in a variety of ways, which are determined, in part, by local values and conditions. The findings of a literature search for various features defining QWL led to an identification of two general factors namely work/work environment and employee welfare and well being. Within the first factor are included such features as democracy (Cooper, 1980), task content/physical features of the job (Kalra and Ghosh, 1984; Kahn, 1981), quantity and quality of leisure time created by the job (Kirkman, 1981), and promotion (Kahn, 1981; Macarov, 1981). The second broad QWL factor mainly emphasises employee welfare and well-being. Kalra and Ghosh (1984) emphasised the physical working environment including safe and healthy working conditions while Cooper (1980) stressed security, equity, and individualisation of the employee as features of a quality working experience. Metz (1982), Kirkman (1981), and Macarov (1981) emphasised job security, good pay, and benefits respectively. Healthy social relations (Lippitt and Rumley, 1977) and social integration (Walton, 1974) were two other employee welfare features thought to comprise QWL.

Global competition is transforming business, and companies that adapt slowly can face severe consequences. Such a dynamic and complex environment places tremendous pressure on employers to be flexible, visionary, and innovative while maintaining profitability.

An article written by Brian Ballou and Norman H. Godwin (2007) discusses the following - In the traditional workplace model, employers have attempted to extract as much output as possible without much regard for employee satisfaction. But that model is quickly becoming obsolete,
especially with the rise in stress caused by increased complexity in the business world. Many organisations are now spending significant time and resources on initiatives to elevate employee satisfaction.

Dr Julia Connell and Zeenobiyah Hannif (2009) researched on comparative study of the Quality of Work Life for the staff based in two Australian based call centres namely ‘in-house’ public sector call centre determined whether and how the Quality of Work Life varies between the two types of call centres and the implications of HRM on these findings. Three qualities of work life factors are reported: job content and working hours, work-life balance, and managerial/supervisory style and strategies. The in-house, public sector call centre emerges as being inferior in terms of all three QWL measures.

Human resource management practices are of significant interest to call centre researchers with most suggesting associations between effective HR practice and improved performance outcomes (Hutchinson, Purcell and Kinnie, 2000). On a systematic examination of the Quality of Work Life research Hannif, Burgess, Connell (2006) highlights that:

1. Sacrificial human resource strategies are not the only alternative for organisations seeking to maximise production and efficiency.
2. Union presence and public sector status do not guarantee better working conditions, and higher QWL. This is also supported by Van Den Broek (2002), Barnes (2004), Rainnie and Drummond (2006).
3. Managerial styles and strategies have a significant impact on the QWL in the call centre. This is further supported by the literature that suggests that a lack of people management skills are increasingly pushing employees out of call centre-working environments (Urcot, 2000; Houlihan, 2006). From the evidence presented here it appears that it is management style and job variety that tend to mould the call centre workplace culture and work organisation rather than the sector itself.

A survey of HR and Marketing Managers in Thai Business on Ethics, Quality of Work Life and Employee job-related outcomes conducted by
Kalayanee Koonmee, Busaya Virakul (2007) investigates the association between institutionalisation of Ethics, Quality of Work Life (QWL), and Organisation outcomes. The research framework adopted by them is shown in figure 2.1 which is as follows:

**Figure 2.1.1 Research Framework adopted by Kalayanee Koonmee, Busaya Virakul (2007)**

The objectives were to (a) investigate and monitor relationships among ethics, QWL and employee job related outcomes (b) direct and maintain attention of the business sector. Data were collected from questionnaires mailed to human resource (HR) and marketing managers of 514 Thai companies listed on the Stock Exchange of Thailand. The main research findings include: (a) the positive relationships between ethical institutionalisation, QWL, and job-related outcomes; (b) the implicit form of ethical institutionalisation has a stronger influence on QWL and job-related outcomes than the explicit form; and (c) the implicit form of ethical institutionalisation has a positive impact on job satisfaction and
Organisational commitment of HR managers while it has no effect on marketing managers.

The research findings seem to support the research framework which proposes that ethical institutionalisation positively influences QWL which will in turn strengthen job-related outcomes (i.e. job satisfaction, Organisational commitment, team spirit).

As QWL, Job satisfaction, Organisational commitment, and team spirit are generally recognised to be essential factors in organisational productivity and performance. The research findings that these variables have positive relationships with an organisation's ethical institutionalisation further verifies the strength of relationship of the variables to business organisations.

Work environment is shown in research as a dominant factor of employee performance and commitment (Westerman and Simmons, 2007). The result of employee’s responses to work or organisational environment brings about work outcomes that affect their organisation's overall performance. Generally, organisational performance is indicated by the following factors: profitability, market share, innovation, labour productivity, regulatory compliance, and flexibility (Bratton, Grint, and Nelson, 2005). Due to many contemporary global and social factors that shape people's thinking, the soft side of work result such as QWL, health and safety, employee satisfaction, corporate social responsibility (CSR), and work-life balance, are increasingly recognised by top management.

The importance of QWL in most researches and writings have been linked to employee's job outcomes such as productivity, job satisfaction, employees' commitment, and increased retention. The research findings from Lau and May (1998) suggest that companies with high QWL can also have high customer satisfaction which will in turn provide higher growth.

Elise Ramstad (2003) conducted a research on Simultaneous improvement in performance and the quality of working life through developing the work organisation.
For the construction of measurements, the dimensions of performance and the QWL were examined by grouping variables and looking for associations between them by means of factor analysis. The performance measurement was made up of flexible customer service, smoothness of operations, quality of products/services, quality of operations. The QWL measurement was formed by cooperation between management and staff, team based working, social relations, mental well-being and development of professional skill. The correlation analysis revealed that there is positive association between QWL and performance.

The next section explains the QWL models and measures which widely present the factors which constitute QWL. This surely provides a pathway to decide the QWL factors to be included in the present study.

2.1.2 QWL Models and Measurements

QWL is a process by which an organisation responds to employee needs by developing mechanisms to allow members to share fully in making decisions that design their lives at work (Robbins 1998). Subsequently, organisations cognisant of issues surrounding the concept of QWL appear to be more effective at retaining their employees and achieving their goals (Louis and Smith 1990).

As service industries are becoming increasingly important to the economies of developed nations (Dabholkar, Thorpe and Rentz, 1996), managers of service organisation affirm that their employees are the most valuable asset (Tzafrir and Gur, 2007). This contention is particularly relevant for the service sector, which is largely dependent on the encounter between employees and customers (Testa and Ehrhart, 2005). In spite of this acknowledged connection not much attention has been paid to the conditions of the work environment that forms the basis for service oriented employees (Edvardsson and Gustavsson, 2003).

According to Von De Looi and Bender (1995), low QWL may affect the quality of services and Organisational commitment. Moreover, QWL programmes can lead to greater self esteem and improved job satisfaction.
(Suttle, 1977) and satisfied employees are more likely to work harder and provide better services (Yoon and Suh, 2003). Yet, despite such importance of QWL for the employees in the service sector, there is hardly any research, which elucidates the employees’ expectations of the QWL elements. More importantly, a tool for measuring the phenomenon of QWL in a service context is virtually non existent.

The importance of ‘work’ and the life associated to the ‘work place’ for an employee is gaining significance. Hence, organisations and employees have to find ways to respond to the new realities in the workplace.

Prior research has recognised the association between Quality of Work Life (QWL) of the service providers and the quality of service offered. Studies have also found QWL to be an important factor influencing Organisational commitment and turnover intentions, which has led to assumptions that employee attaches great importance to the work, work life and joins an organisation with certain expectations. But employee expectations are not static and understanding their perception of HR policies is crucial to understanding of QWL.

Despite these assumptions, the literature is devoid of any systematic study to define and measure the expected QWL for service sector employees. Thus, the present study applies a questionnaire created by Russell Consulting Inc., with changes made by the selected employers and a methodology is applied for identifying the expected dimensions of QWL. There is also an instrument for measuring QWL, operationally named WRKLFQUAL, based on the gap analysis tool. Frost and Kumar (2000) utilised gap analysis to explore the internal service quality gaps that existed for frontline employees working for an international airline. Overall, the gap analysis employed in the SERVQUAL model has proven to be valid and reliable for measuring service quality (Wisniewski 2001). Thus, taking a cue from the SERVQUAL tool, and by appropriately extending and modifying them to suit a situation involving ‘work life’ as a product offered by the organisation to their internal customers, their employees, a
befitting model operationally named ‘WRKLFQUAL’ (Work Life Quality or Quality of Work Life) is conceptualised and presented as Figure 2.1.2.

![Figure 2.1.2 WRKLFQUAL model](image)

The WRKLFQUAL model draws attention to the difference between the expectation and perception on various QWL dimensions was designed by Kandasamy, I. and Sreekumar, A. (2009). The instrument for assessing the expectation and perception scores would carry statements pertaining to the attributes of the dimensions previously identified by the qualitative content analysis. The quality of a particular work life dimension (QD$_i$), depends on the total difference between the perception (P$_{ij}$) and expectation (E$_{ij}$) scores pertaining to the attributes corresponding to that particular dimension.

The rationale for subscribing QWL as a base factor is justified and the ensuing section discusses Organisational commitment.

### 2.2 Antecedents and Outcomes of Organisational commitment

Organisational Commitment is an important issue from both the conceptual and organisational aspect since it may be used to predict employee’s absenteeism, performance, turnover, and other behaviour. There is little consensus concerning the definition of the concept or its measurement. Most researchers conceive commitment as involving some
form of psychological bond between people and organisations, although there is little consensus as to a useful operational index of the concept. Allen and Meyer (1990) conceptualised a multidimensional OC measure that drew on the early works of Porter et al., (1974); Becker (1960); and Weiner and Vardi (1980). McGee and Ford (1987), and Meyer et al., (1990) offered evidence for the presence of other sub-dimensions of commitment, namely personal sacrifice and lack of alternatives. It is contended that the OC of managers and other employees is essential for the survival and effectiveness of large work organisations because the fundamental responsibility of management is to maintain the organisation in a state of health necessary to carry on its work. Effective management thus presupposes a proprietary concern, a sense of responsibility for and dedication to sustaining the well-being of the organisation. In the absence of ownership as a motive for such concern, modern organisations have of necessity turned to the deliberate creation and protection of committed elites (Selznick, 1957; Perrow, 1972).

Studies relating to employees' commitment have been extensively conducted by various scholars. Various definitions have been given for employee's commitment. These include an effective response by an employee towards the whole organisation (Martin and Bennett, 1996). Organisational commitment may also be defined as a global attitude which can influence an individual's reaction towards his or her organisation (McCaul et al., 1995). Following a study by Mowday et al., (1979), OC constitutes (a) belief in and acceptance of an organisation's goals and values, (b) willingness to strive harder to develop an organisation by being part of the organisation, (c) willingness to continue working and be loyal to the organisation.

The concept Organisational commitment has grown in popularity in the literature on industrial and organisational psychology (Cohen, 2003). Early studies on Organisational commitment viewed the concept as a single dimension, based on an attitudinal perspective, embracing identification, involvement and loyalty (Porter, Steers, Mowday and
Boulian, 1974). According to Porter et al., (1974) an attitudinal perspective refers to the psychological attachment or Affective commitment formed by an employee in relation to his identification and involvement with the respective organisation.

Porter et al., (1974) further describes Organisational commitment as "an attachment to the organisation, characterised by an intention to remain in it; an identification with the values and goals of the organisation; and a willingness to exert extra effort on its behalf". Individuals consider the extent to which their own values and goals relate to that of the organisation as part of Organisational commitment; therefore it is considered to be the linkage between the individual employee and the organisation.

Another perspective on Organisational commitment is the "exchange-based definition" or "side-bet" theory (Becker, 1960; Alluto, Hrebiniaik and Alonso, 1973). This theory holds that individuals are committed to the organisation as far as they hold their positions, irrespective of the stressful conditions they experience. However, should they be given alternative benefits, they will be willing to leave the organisation.

Mowday, Porter and Steers (1982) support the "side-bet" theory by describing Organisational commitment as a behaviour "relating to the process by which individuals become locked into a certain organisation and how they deal with this problem". This behavioural aspect of Organisational commitment is explained through Calculative and Normative commitments.

Consequently, the concept Organisational commitment is described as tri-dimensional, characterised by the Affective, Continuance and Normative dimensions (Meyer and Allen, 1991).

Common to the three dimensions of Organisational commitment is the view that Organisational commitment is a psychological state that characterises organisational member's relationship with the organisation and has implications for the decision to continue or discontinue
membership in the organisation (Meyer and Allen, 1997). The concept of Organisational commitment is a popular research topic and has received much empirical study, both as consequences and antecedents, of other work-related variables of interest.

2.2.1 Employee Commitment

The concept of employment commitment lies at the heart of any analysis of Human Resource Management. Indeed, the rationale for introducing Human Resource Management policies is to increase levels of commitment, so that positive outcomes can ensue. Such is the importance of this construct. Yet, despite many studies on commitment, very little is understood of what managers mean by the term 'commitment' when they evaluate someone's performance and motivation.

Determinants of commitment

A model of employee commitment by Dex, S., Scheibl, F., Smith, C., and Coussey, M. (2000) hypothesised that commitment would be related to a set of personal and job related employee characteristics and possible variables related to the working environment as follows.

\[ C_i = f (X_i, W_i, O_{ij}) \]

Where

- \( C_i \) is the level of commitment of employee i
- \( X_i \) is a set of personal characteristics of employee i
- \( W_i \) is a set of job related characteristics of employee i
- \( O_{ij} \) is a set of characteristics of the workplace establishment j where individual i is employed.

Gallie and White (1993) found that employee commitment was related to personal characteristics that they called external factors (beliefs, sense of success) and internal organisational factors (structure and policies of the organisation). Internal factors that were found to improve commitment included:
- The opportunities for personal development;
- The higher the extent to which employees' skills were utilised and greater their access to training;
- The greater the extent the organisation was seen as a caring employer; and
- The existence of teamwork as a form of supervision.

The literature defines commitment as an employee's level of attachment to some aspect of work. Various authors have been instrumental in identifying types of employee commitment as critical constructs in understanding the attitudes and behaviour of employees in an organisation. Rajendran Muthuveloo and Raduan Che Rose (2005) explain their concept of OC and how OC forms a subset of employee commitment.

Arguing that conceptual redundancy exists across these, employee commitment is grouped into three foci, as in Figure 2.2.1, commitment to work/job, commitment to career/profession and commitment to organisation.

Though this research specifically addresses commitment to the organisation, or Organisational commitment, it is necessary that work and career commitment be clarified on the conceptual meaning.

**Career Commitment:** Career commitment refers to identification with, and involvement in, one's occupation. Much literature refers to similar or related concepts: occupational commitment, professional commitment and career salience.

**Work Commitment:** Work commitment refers neither to the organisation nor to one's career, but to employment itself. Persons committed to work hold a strong sense of duty towards their work, and place intrinsic value on work as a central life interest.
Organisational Commitment: The issue of Organisational commitment within the private sector, has, generally, received significant research focus over the past 25 years. There are two dominant conceptualisations of Organisational commitment in sociological literature. These are an employee's loyalty towards the organisation and an employee's intention to stay with the organisation. Loyalty is an affective response to, and identification with, an organisation, based on a sense of duty and responsibility.

Herscovitch and Meyer's defines the degree to which an employee identifies with the goals and values of the organisation and is willing to exert effort to help it succeed. Loyalty is argued to be an important intervening variable between the structural conditions of work, and the values, and expectations, of employees and their decision to stay, or leave.

2.2.2 Types of OC

There are four types of employee Organisational commitment: "Want to commit", "Have to commit", "Ought to commit" and "Uncommit" (Bragg et al., 2002). The first type, which comprises employees who
commit themselves to the organisation or their employers voluntarily, are usually those who are dedicated. Such employees always strive to do their best for their employers. They are prepared and willing to accept new responsibilities just to serve their employers. They also have positive behaviour and perceptions towards things related to their work. This type of workers is most liked by every employer.

The second type comprises employees who feel obliged to give commitment to their organisation or employer. This type of workers normally feels trapped in situations which force them to commit themselves to their work. There are various factors which contribute to such a situation. These include failure to get employment somewhere else, family problems, nearing retirement, and health. In some situations, they could choose to leave their job, but they feel that they cannot afford to do so. This normally results in their doing work under stress/pressure which leads to the feeling of dissatisfaction, low productivity and negative behaviour. They also create a lot of problems to their supervisors and employers.

The third type comprises employees who feel that it is their responsibility or obligation to offer commitment to their organisation. This type of employees feels that they are obligated to do whatever is asked by their employer. This sense of obligation tends to occur with employees who desperately need the job offered to them by their employers. The fourth type comprises employees who lack commitment. Majority of them are not satisfied with or have a negative perception towards their organisation or employer. They actively look for opportunities to work somewhere else and they tend to work half-heartedly for their organisation. Most of them have intentions to quit or change job.

The need for high Organisational commitment is an important issue in any organisation. This is because an employee who is highly committed towards his or her organisation can be said to be productive, stable, and always strive towards fulfilling their organisation's needs as opposed to those who are less committed (Larkey and Morrill, 1995). Studies on job
commitment have used various variables such as individual's background, organisation, employer, work, and job satisfaction. The findings by Aizzat et al., (2003) reveal that marital status (unmarried), qualification (degree) and pay have negative relationships with commitment towards organisation. Organisational commitment is also seen as having a direct relationship with low employee turnover and productivity (Bateman dan Strasser, 1984). One of the findings by Feather and Rauter (2004) involving permanent and temporary teachers in Victoria, Australia reveals a positive relationship between Organisational commitment and organisational identification, influence, variety, skill utilisation and organisational citizenship behaviour.

Moha Asri Abdulla, Munir Shuib, Zikri Mohammad, Hassan Naziri Khalid and Junaimah Jauhar (2007) in their research on Employee Organisational Commitment in SMEs: Manufacturing Sector found that majority of respondents demonstrates a high level of commitment. A total of 91.4 percent of the respondents showed a high level of commitment to their organisation. Only 0.8 percent said that they have moderate commitment. The others, around 7.8 percent had a low level of commitment to their organisation. Employee Organisational commitment involves five important elements: willingness to put in a great deal of effort beyond that is normally expected, willingness to claim and tell friends that the organisation the employee is working for is the best, being loyal to the organisation, acceptance of almost any job assignment, having a bright future with the firm, and believing that work policies in the firm are the best. Employee commitment has been viewed as an intermediate outcome, on the way to improvements in business performance (Huselid, 1995).

The High Commitment Management (HCM) practices are about employers using practices that encourage commitment in their employees. This type of management theory would lead us to expect that jobs with more responsibility and discretion in the higher status occupations would be expected to be associated with higher levels of commitment.
Satisfaction with rewards from work, satisfaction with the job itself, and feeling secure are all likely to be associated with higher levels of commitment, as are higher pay levels (Dex, S. and Scheibl, E., 2001).

2.2.3 Components of OC

Two major theoretical approaches emerge from previous research on commitment:

Commitment is viewed as an attitude of attachment to the organisation, which leads to particular job-related behaviour. The committed employee, for example, is less often absent, and is less likely to leave the organisation voluntarily, than the less committed employees.

One line of research in organisations focuses on the implications of certain types of behaviour on subsequent attitudes. A typical finding is that employees who freely choose to behave in a certain way, and who find their decision difficult to change, become committed to the chosen behaviour and develop attitudes consistent with their choice.

The important issue is not whether the commitment process begins with either attitude or behaviour. Rather, it is important to recognise the development of commitment may involve the subtle interplay of attitudes and behaviour over a period of time. The process through which commitment is developed may involve self-reinforcing cycles of attitudes and behaviour that evolve on the job, and over time, strengthen employee commitment to the organisation.

Meyer and Allen (1997) present these three approaches and define their three dimensional constructs as Affective, Continuance and Normative commitment.

Affective commitment refers to the employees' emotional attachment to, identification with, and involvement in, the organisation [based on positive feelings, or emotions, toward the organisation]. The antecedents for Affective commitment include perceived job characteristics [task autonomy, task significance, task identity, skill variety and supervisory feedback], organisational dependability [extent to which
employees feel they can influence decisions on the work environment and other issues of concern to them].

![Diagram of Components of OC](image)

Figure 2.2.3 Components of OC (Meyer and Allen, 1997)

Continuance commitment refers to commitment based on the costs that the employee associates with leaving the organisation [due to the high cost of leaving]. Potential antecedents of Continuance commitment include age, tenure, career satisfaction and intent to leave. Age and tenure can function as predictors of Continuance commitment, primarily because of their roles as surrogate measures of investment in the organisation.

Normative commitment refers to an employee's feeling of obligation to remain with the organisation [based on the employee having internalised the values and goals of the organisation]. The potential antecedents for Normative commitment include co-worker commitment [including Affective and Normative dimensions, as well as commitment behaviour], organisational dependability and participatory management. Co-workers' commitment is expected to provide Normative signals that influence the development of Normative commitment.

The employees' level of commitment to an organisation may make them more eligible to receive both external benefits, such as better wages, and psychological rewards associated with belonging. Organisations value commitment among their employees because it is typically assumed to reduce undesirable behaviour, such as lateness and absenteeism. Committed employees may also be more likely to engage in "extra-role"
behaviour, such as creativeness or innovativeness that are vital for maintaining the organisation's competitiveness (Katz and Kahn, 1978).

2.2.4 OC Model
Meyer and Allen (1997) use the tri-dimensional model to conceptualise Organisational commitment in three dimensions namely, Affective, Continuance and Normative commitments. These dimensions describe the different ways of Organisational commitment development and the implications for employees' behaviour.

Figure 2.2.4 presents the tri-dimensional Organisational commitment model.

Affective commitment dimension
The first dimension of Organisational commitment in the model is Affective commitment, which represents the individual's emotional attachment to the organisation. According to Meyer and Allen (1997), Affective commitment is "the employee's emotional attachment to, identification with, and involvement in the organisation". Organisational members, who are committed to an organisation on an affective basis, continue working for the organisation because they want to (Meyer and Allen, 1991). Members who are committed on an affective level stay with the organisation because they view their personal employment relationship as congruent to the goals and values of the organisation (Beck and Wilson, 2000). Affective commitment is a work related attitude with positive feelings towards the organisation (Morrow, 1993). Sheldon (1971) also maintains that this type of attitude is "an orientation towards the organisation, which links or attaches the identity of the person to the organisation". Affective commitment is the relative strength of an individual's identification with and involvement in a particular organisation (Mowday et al., 1982).
Continuance Commitment Dimension

The second dimension of the tri-dimensional model of Organisational commitment is Continuance commitment. Meyer and Allen (1997) define Continuance commitment as "awareness of the costs associated with leaving the organisation". It is calculative in nature because of the individual's perception or weighing of costs and risks associated with leaving the current organisation (Meyer and Allen, 1997).

Meyer et al., (1990) also maintain that "accrued investments and poor employment alternatives tend to force individuals to maintain their line of action and are responsible for these individuals being committed because they need to". This implies that individuals stay in the organisation, because they are lured by other accumulated investments which they could lose, such as pension plans, seniority or organisation specific skills.
Normative Commitment Dimension
The last dimension of the Organisational commitment model is Normative commitment. Meyer and Allen (1997) define Normative commitment as "a feeling of obligation to continue employment". Internalised normative beliefs of duty and obligation make individuals obliged to sustain membership in the organisation (Allen and Meyer, 1990). According to Meyer and Allen (1991) "employees with Normative commitment feel that they ought to remain with the organisation". In terms of the normative dimension, the employees stay because they should do so or it is the proper thing to do.

Wiener and Vardi (1980) describe Normative commitment as "the work behaviour of individuals, guided by a sense of duty, obligation and loyalty towards the organisation". Organisational members are committed to an organisation based on moral reasons (Iverson and Buttigieg, 1999). The normatively committed employee considers it morally right to stay in the organisation, regardless of how much status enhancement or satisfaction the organisation gives him or her over the years.

2.2.5 Developing OC
Organisational Commitment is a spontaneous process, which develops through the orientation of individuals to the organisation. The development process can be described based on stages and levels of Organisational commitment.

Stages of OC
Organisational Commitment develops through stages, which are outlined by O'Reilly (1989) as Compliance, Identification and Internalisation. These stages are described in the forthcoming page:
Compliance stage

The first stage, namely compliance centralises around the employee accepting the influence of others mainly to benefit from them, through remuneration or promotion (O'Reilly). At this stage, attitudes and behaviour are adopted not because of shared beliefs but simply to gain specific rewards. The nature of Organisational commitment in the compliance stage is associated with the Continuance commitment, where the employee is calculative with the need to stay in the organisation when evaluating the rewards (Beck and Wilson, 2000). This implies that at this stage employees stay in the organisation because of what they receive (Meyer and Allen, 1997).

Identification stage

The second stage, namely identification occurs when employees accept the influence of others in order to maintain a satisfying self-defining relationship with the organisation (O'Reilly, 1989). Employees feel proud to be part of the organisation; they may regard the roles they have in the organisation as part of their self-identity (Best, 1994). Organisational commitment at this stage is based on the Normative dimension (Meyer and Allen, 1997). The individual stays because he or she should and is guided by a sense of duty and loyalty towards the organisation.

Internalisation stage

The last stage, namely internalisation takes place when the employee finds the values of the organisation to be intrinsically rewarding and congruent with his or her personal values (O'Reilly, 1989). Organisational commitment at this level is based on the Affective dimension (Meyer and Allen, 1997). The employee at this stage develops not only the sense of belonging but passion to belong to the organisation hence the commitment is based on a "want to stay" basis. The values of the individual are therefore congruent with those of the group and the organisation.
Levels of Organisational commitment

There are different levels of Organisational commitment which are related to the individuals’ development of the individual's Organisational commitment. Employee's level of commitment may move from a low level to a moderate level and continue to develop to a higher level of commitment (Reichers, 1985).

A high level of Organisational commitment is characterised by a strong acceptance of the organisation’s values and willingness to exert efforts to remain with the organisation (Reichers, 1985). Miller (2003) states that "high organisational commitment means identifying with one's employing organisation". The "will to stay" suggests that the behavioural tendencies at this level relate closely with Affective dimension of commitment, where individuals stay because they want to.

The moderate level of Organisational commitment is characterised by a reasonable acceptance of organisational goals and values as well as the willingness to exert effort to remain in the organisation (Reichers, 1985).

The level can be viewed as a reasonable or average commitment, which implies partial commitment. The willingness to stay is an attribution of a moral commitment associated with the normative dimension of commitment (Meyer and Allen, 1997). The individuals stay in the organisation because they should do so.

The low level of Organisational commitment is characterised by a lack of neither acceptance of organisational goals and values nor the willingness to exert effort to remain with the organisation (Reichers, 1985). The employee who operates on this level must be disillusioned about the organisation; such an employee may stay because he or she needs to stay as associated with the continuance dimension (Meyer and Allen, 1997).
### 2.2.6 Determinants and Resultants of OC

There are varieties of factors that shape Organisational commitment. Such factors include the following: job-related factors; employment opportunities; personal characteristics; positive relationships; organisational structure; and management style. The findings by Dunham et al., (1994) were consistent with the research of Steers (1977) and Mottaz (1988) that perceived Participatory management contribute to create rewarding situations intrinsically conducive to the development of Affective commitment.

**Job-related factors**

Organisational commitment is an important job-related outcome at the individual level, which may have an impact on other job-related outcomes such as turnover, absenteeism, job effort, job role and performance or visa versa (Randall, 1990). The job role that is ambiguous may lead to lack of commitment to the organisation and promotional opportunities can also enhance or diminish Organisational commitment (Curry, Wakefield, Price and Mueller, 1996).

**Employment opportunities**

The existence of employment opportunities can affect Organisational commitment (Curry et al., 1996). Individuals who have a strong perception that they stand a chance of finding another job may become less committed to the organisation as they ponder on such desirable alternatives. Where there is lack of other employment opportunities, there is a tendency of high level of Organisational commitment (Vandenberghe, 1996).

**Personal characteristics**

Organisational commitment can also be affected by the employee's personal characteristics such as age, years of service and gender (Meyer and Allen, 1997). Baron and Greenberg (1990) state that, "older
employees, those with tenure or seniority, and those who are satisfied with their own levels of work performance tend to report higher levels of Organisational commitment than others”. This implies that older people seem to be more committed to the organisation than other age groups.

Another personal characteristic that may affect Organisational commitment is associated with gender (Meyer and Allen, 1997). However, it is argued that gender differences in commitment are due to different work characteristics and experiences that are linked to gender (Mathieu and Zajac, 1990).

**Work environment**

The working environment is also identified as another factor that affects Organisational commitment. One of the common working environmental conditions that may affect Organisational commitment positively is partial ownership of a company. Ownership of any kind gives employees a sense of importance and they feel part of the decision-making process (Klein, 1987). This concept of ownership which includes participation in decision-making on new developments and changes in the working practices creates a sense of belonging (Armstrong, 1995). Subramaniam and Mia (2001) indicates that managers who participate in budget decision-making tend to have a high level of organisational commitment.

Another factor within the work environment that may affect Organisational commitment is work practices in relation to recruitment and selection, performance appraisal, promotions and management style (Meyer and Allen, 1997). Metcalfe and Dick (2001) conclude that “the low level of Organisational commitment of constables could be attributed to inappropriate selection and promotion which lead to the perpetuation of managerial style and behaviour that has a negative effect on Organisational commitment of subordinates”.

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Positive relationships

The organisation as a workplace environment is built up of working relationships; one of which is the supervisory relationship. According to Randall (1990): "the supervisory relationship can affect Organisational commitment either positively or negatively". A positive supervisory relationship depends on how work-related practices such as performance management are being implemented in the organisation (Randall, 1990).

Organisational structure

Organisational structure plays an important role in Organisational commitment. Bureaucratic structures tend to have a negative effect on Organisational commitment. Zeffanne (1994) indicates that the removal of bureaucratic barriers and the creation of more flexible structure are more likely to contribute to the enhancement of employee commitment both in terms of their loyalty and attachment to the organisation.

Management style

It is stated by Zefanne (1994) that "the answer to the question of employee commitment, morale, loyalty and attachment may consist not only in providing motivators, but also to remove demotivators such as styles of management not suited to their context and to contemporary employee aspirations". A management style that encourages employee involvement can help to satisfy employee's desire for empowerment and demand for commitment towards organisational goals.

The present study has kept QWL factors as an important variable that influences OC. The compilation of different variables that would influence OC in the above mentioned studies have been included as a part of assessment of QWL prevailing in the ITes organisations. The literature has helped to decide the dimensions of QWL which is a major determinant of OC for the present study.

Shirley Dex and Colin Smith (1998) used Allen and Meyer's model of OC to assess whether employee access to family friendly policies in the
work place affected their commitment. Data about the family-friendly policies, and their number were available from both the manager's questionnaire and the employees themselves. Comparisons were made of the effects on commitment of policies from these two alternative sources. There was evidence that access to some family-friendly policies improved commitment in the case of employees working in the private sector but not in the public sector.

A research project focuses on Engineers, a key workforce for any country similar to Malaysia - a nation embarking on a knowledge-based economy. The author's interest lies in improving Organisational commitment, which, in turn, reduces engineer turnover and enhances positive organisational outcomes. This research aims to identify the elements of employee perception and personal characteristics which have a significant influence on Organisational commitment amongst engineers in Malaysia. The study evaluates which elements of Organisational commitment and personal characteristics have implications for organisational outcomes, comprising loyalty, intention to leave, work stress and Job performance. The theoretical framework of this research is based on two hypotheses (Figure 2.2.6).

I. Positive employee perceptions lead to higher Organisational commitment.

II. Higher Organisational commitment brings positive organisational outcomes.

Engineer's perceptions, as antecedents of Organisational commitment, are measured through perceived job characteristics, perceived job satisfaction, perceived organisational characteristics and role perception. The authors combine organisational characteristics and group/leader relationships into one element called perceived organisational characteristics, while motivation and job satisfaction are combined into perceived job satisfaction. The authors classify all four elements into one dimension, called employee perception, as it is the
employees’ feeling about their role, job and organisation, based on their perceptions.

Organisational commitment is measured through Affective, Continuance and Normative commitment, based on the three-component model of Organisational commitment by Meyer and Allen (2005).

Organisational outcomes are measured in terms of loyalty, intention to leave, work stress and self-performance. These four elements are sufficient to include all elements considered by Steers as organisational outcomes. As previous research shows Organisational commitment can also lead to negative effects on organisational outcomes, work stress has been included as an additional element to consider the negative effect of Organisational commitment on organisational outcomes. This structure had given an outline to design the present research framework also which includes personal variables, QWL as base factors that influence OC and JP as outcome.
As per Evans (1991) and Tjosvold et al., (1998) the influence of personal characteristics on Organisational commitment and organisational outcomes, are examined via age, gender, position, length of service, job tenure, religion, race, academic background and country of graduation.

Emanuel Camilleri (2002) suggests that OC may have an impact on: (a) Job performance (Fukami and Larson 1984); (b) Absenteeism (Steers, 1977; Fukami and Larson, 1984); and (c) Turnover (Porter et al., 1974; Fukami and Larson, 1984). Mowday et al., (1982) have suggested that gaining a greater understanding of the processes related to OC has implications for employees, organisations, and society as a whole. Thus, OC would appear to have potentially serious consequences for overall organisational performance.

The first involved the identification of a true developmental trend in the Organisational commitment levels of police officers in Australia. The second involved the identification of the influence of occupational grouping within the police organisation on the development of commitment. The third involved the examination of personal, role, work environment and organisational climate factors that might influence individual levels of Organisational commitment within police organisations. Descriptive statistics and inter correlations for the measures applied in each of the three police surveys, and in the non-sworn police sample.

The results suggest that commitment in all police employees develops primarily in response to experience of perceived organisational support, confirmed expectations, and perceived investments. The influence of peer group norms is also highlighted in these results.

Commitment has provided strong evidence that Affective and Normative commitment is positively related and Continuance commitment is negatively connected with organisational outcomes such as performance and citizenship behaviour (Hackett, Bycio, and Handsdoff, 1994; Shore and Wayne, 1993). Researchers (e.g. Meyer and Allen, 1997) have found that age was positively correlated with Affective and Normative commitment, but not to Continuance commitment. Meyer and Allen (1991),
in an exploratory and confirmatory analysis of factors that can significantly predict job satisfaction and Organisational commitment among blue collar workers, reported that promotion, satisfaction, job characteristics, extrinsic and intrinsic exchange, as well as extrinsic and intrinsic rewards, were related to commitment.

Dornstein and Matalon (1998) describe eight variables that are relevant to Organisational commitment. These are interesting work, coworker’s attitudes towards the organisation, organisational dependency, age, education, employment alternatives, attitude of family and friends. The variables explain 65% of the variance in Organisational commitment. Adeyemo and Aremu (1999) researched 319 human service organisation workers and analysed the effects of multiple predictors (job, organisation, and worker characteristics) on satisfaction and commitment. They showed that skill variety and role ambiguity are best predictors of satisfaction, while leadership and the organisation’s age are the best predictors of commitment.

Ellemer, Gilder, and Heuvel (1998) found that background variables as gender, level of education, or team size were not clearly related to three forms of commitment. Adeyemo (2000) reported a positive correlation between education and Organisational commitment. Irving, Coleman, and Cooper (1997) found that age was not related to Organisational commitment. Meyer and Allen (1984) earlier argued that age might be correlated with commitment by postulating that it serves as proxy for seniority that is associated with opportunity to better one’s position in the work. On the issue of gender, Mathieu and Zajac (1990) reported its relationship to Organisational commitment. Similarly, it was found by Irving, et al., (1997) that the men in their sample had higher level of commitment than the women.

A census of five research and four academic libraries was taken (Adyenka Tella, C.O.Ayeni, S.O.Popoola, 1997) and the target population of the study was library personnel in all research and academic libraries in Oyo state, Nigeria. A total enumeration sampling technique was used to
select 200 library personnel. A modified questionnaire tagged Work Motivation, Job Satisfaction, and Commitment Scale (WMJSCS) was used for the collection of data on the study. Descriptive statistics, Pearson Multiple Correlation, and Multiple classification methods with t-test were employed to analyse the collected data.

The findings of this study reveal that a correlation exists between perceived motivation, job satisfaction, and commitment, although correlation between motivation and commitment was negative. No difference was observed in the perceived motivation of professional and non-professional library personnel. Moreover, findings also show that differences exist in the job satisfaction of library personnel in academic and research libraries, and that no relationship exists in the Organisational commitment of library personnel based on their years of experience.

Williams Nwagu (1997) reported that motivation potential is linked to five core characteristics that affect three psychological states essential to internal work motivation and positive work outcome. Professional and non-professional library personnel have the same perceived work motivation if they are given the work environment and incentives that they need and deserve. Attainment of job satisfaction among library personnel through value clarification, personal problem solving, and a creative approach are insightful and intrinsic motivational approaches that are recommended in this study.

Organisational commitment can have either a negative or a positive effect on the organisation.

**Negative effect of low level Organisational commitment**

The negative effect implies that the level of Organisational commitment is low. Employees with a low level of Organisational commitment tend to be unproductive and some become loafers at work (Morrow, 1993).

Lowman (1993) states that Organisational commitment can be regarded as a "work dysfunction when it is characterised by under-
commitment and over-commitment”. The following are the characteristics of over-commitment and under-commitment according to Lowman (1993):

The OC model and theoretical framework of various studies and researches had given appropriate insights for the current study to understand the base factors that influence OC and what impact OC could create on several other factors. The subsequent section throws light on the literature for Job performance which is taken as an outcome of Organisational commitment.

**Table 2.2.6**
**Characteristics of Over-Commitment and Under-Commitment**
*(Lowman, 1993)*

<table>
<thead>
<tr>
<th>Under-commitment</th>
<th>Over-commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fear of success</td>
<td>Overly loyal employees</td>
</tr>
<tr>
<td>Fear of failure</td>
<td>Job and occupational burnout</td>
</tr>
<tr>
<td>Chronic and persistent procrastination</td>
<td>Obsessive - compulsive patterns at work.</td>
</tr>
<tr>
<td>Negative cultural, familial and personality factors.</td>
<td>Neurotic compulsion to succeed.</td>
</tr>
<tr>
<td>Chronic and persistent under-achievement.</td>
<td>Extreme high level of energy.</td>
</tr>
</tbody>
</table>

**2.3 Research Inputs on Job performance**

Job performance is a commonly used, yet poorly defined concept in industrial and organisational psychology, the branch of psychology that deals with the workplace. It most commonly refers to whether a person performs their job well. Despite the confusion over how it should be exactly defined, performance is an extremely important criterion that relates to organisational outcomes and success. Among the most commonly accepted theories of Job performance, John P. Campbell and colleagues have wide recognition. Campbell (1990) describes Job performance as an individual level variable. That is, performance is something a single person does. This differentiates it from more encompassing constructs such as organisational performance or national performance which are higher level variables.
Campbell (1990) defines performance as behaviour. It is something done by the employee. This concept differentiates performance from outcomes. Outcomes are the result of an individual's performance, but they are also the result of other influences. In other words, there are more factors that determine outcomes than just an employee's behaviour and actions.

Campbell allows for exceptions when defining performance as behaviour. For instance, performance does not have to be directly observable actions of an individual. It can consist of mental productions such as answers or decisions. However, performance needs to be under the individual's control, regardless of whether the performance of interest is mental or behavioural.

Utility is another related construct which is defined as the value of a particular level of performance, effectiveness, or productivity. Utilities of performance, effectiveness, and productivity are value judgments.

According to the various researchers a subjective indicator of productivity may even be more suitable for measuring productivity because it makes it possible to ask tailored questions and produce results with a better general applicability. The subjective indicator can be used in case quantitative information about output and input are not readily available such as the public sector or knowledge intensive expert organisations. In these cases, the subjective productivity measurement can be a source of valuable information (Kemppila and Lonnquist, 2003).

### 2.3.1 Key features of Job Performance

The following points depict the key features of job performance:

*Organisational goal relevance*

Performance must be directed toward organisational goals that are relevant to the job or role. Therefore, performance does not include activities where effort is expended toward achieving peripheral goals.
Multidimensionality

Despite the emphasis on defining and predicting Job performance, it is not a single unified construct. There are vastly many jobs each with different performance standards. Therefore, Job performance is conceptualised as a multidimensional construct consisting of more than one kind of behaviour. Campbell (1990) proposed an eight factor model of performance based on factor analytic research that attempts to capture dimensions of Job performance existent (to a greater or lesser extent) across all jobs. The eight factors are:

1. Task specific behaviour,
2. Non-task specific behaviour,
3. Written and oral communication tasks,
4. Individual's performance, assessed in terms of effort, either day to day,
5. Performance domain including personal discipline,
6. The degree to which a person helps out the groups and his or her colleagues,
7. Supervisory or leadership component,
8. Managerial and administrative performance.

Taxonomy of Job performance was proposed and developed for the US Navy by Murphy (1994). This model is significantly broader and breaks performance into only four dimensions namely task-oriented behaviour, interpersonally oriented behaviour, down-time behaviour and destructive/hazardous behaviour.

In addition to these models dividing performance into dimensions, others have identified different types of behaviour making up performance. The dimensions are Efficiency and Effectiveness. The competitiveness of an organisation requires dynamic focus to ensure the service satisfies the clients to the fullest and best extent possible. The new market conditions demand high degree of dynamism in work performance which requires highly intensive work system.
2.3.2 Determinants of JP

Campbell (1990) also suggested determinants of performance components. Individual differences on performance are a function of three main determinants: declarative knowledge (knowledge about facts, principles, objects), procedural knowledge and skill (knowledge and skill is knowing how to do it) and motivation. It reflects the direction, intensity, and persistence of volitional behaviour. Campbell (1990) emphasised that the only way to discuss motivation as a direct determinant of behaviour is as one or more of these choices. Performance parameters that may have important implications for the Job performance setting and should be investigated by industrial and organisational psychologists.

The first one is the distinction between Speed and Accuracy. This distinction is similar to the one between quantity and quality. Important questions that should be considered include: which is most valued by the organisation, maximised speed, maximised accuracy, or some balance between the two? What kind of trade offs should an employee makes? The latter question is important because speed and accuracy for the same task may be independent of one another.

The distinction between typical and maximum performance is what is shown as output by an individual and what is expected to achieve. Regular work situations reflect varying levels of motivation which result in typical performance. Special circumstances generate maximum employee motivation which results in maximum performance.

Studies on commitment have provided strong evidence that Affective and Normative commitments are positively related and Continuance commitment is negatively connected with organisational outcomes such as performance and citizenship behaviour (Hackett, Bycio, and Handsdoff, 1994; Shore and Wayne, 1993).

Susanne Krivanek (1999) including the factors shown in Table 2.2.
Table 2.3.2
Factors that affect employee performance

<table>
<thead>
<tr>
<th>Factors: To meet “satisfactory” or “exceeds” performance goals, an employee should have:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability</td>
<td>The capacity to learn and perform the tasks required</td>
</tr>
<tr>
<td>Standards</td>
<td>Expectations to achieve and guidelines by which to achieve them</td>
</tr>
<tr>
<td>Knowledge and Skill</td>
<td>The information and expertise necessary to perform the job</td>
</tr>
<tr>
<td>Feedback</td>
<td>Feedback from management that effectively communicates the status of the person’s performance, based on measurable guidelines and tools</td>
</tr>
<tr>
<td>Environment</td>
<td>Acceptable working conditions, such as enough time and equipment to perform the job effectively</td>
</tr>
<tr>
<td>Motivation</td>
<td>Incentives in place that positively reinforce good performance</td>
</tr>
</tbody>
</table>

2.3.3 Job performance and other correlates

Building employee commitment to the workplace is one important goal of human resource policies and practices. Research shows commitment has a positive effect on productivity, turnover and employees willingness to help co-workers.

Employees whose needs are not fulfilled by the organisation always demonstrate their dissatisfaction by performing below their actual ability. Porter and Lawler (1968) identified three types of performance namely productivity, ratings of individuals, self-appraisal and self-ratings. Thus, Job performance measures the level of achievement of business and social objectives and responsibilities from the perspective of the judging party (Hersey and Blanchard, 1993).

Performance measurement uses the following indicators of performance, as well as assessments of those indicators. Performance indicators must be assessed by some means in order to measure performance itself. David Hakala (2008) shows some of the ways in which performance is assessed using quantity, quality, timeliness, cost-effectiveness, absenteeism/tardiness, creativity, adherence to policy,
gossip and other personal habits, personal appearance/grooming, manager appraisal, self-appraisal, peer appraisal, team appraisal, assessment center, 360-Degree or “Full-Circle” Appraisal and MBO (Management by Objectives).

There are as many indicators of performance as there are companies and jobs. The various assessment methods can be used in combinations. It is important to choose indicators that align with company’s goals and assessment methods that effectively appraise those indicators.

Debbie Corson (2008) discusses the growing awareness of the significant impact, both positive and negative, that employees can have on organisational performance. Organisations have considered such strategies as good base pay, pleasant and attractive work environments, flexible work hours, profit sharing systems, and more.

An important question, however, and one that is often overlooked, is what aspect of performance is likely to be increased by an organisation’s attempts to enhance Organisational commitment. Performance is an all-encompassing word and includes such items as accounting performance, marketing performance, operational performance, strategic performance, short-term performance and long-term performance.

This study examines the link between an organisation’s commitment to its employees and organisational performance. The study surveyed CEOs and their second in command working in medium-sized New Zealand companies (50-100 full-time employees). A block sample selection design, which involved selecting companies from New Zealand’s four main business centres, was used.

Regression analysis was used to assess the impact of Organisational commitment to employees on firm performance. Firm performance was measured in three ways: financial (e.g., return on investment), market (e.g., market share), and long-term (e.g., organisational reputation). While Organisational commitment to employees had a positive effect on financial and market performance, the effect was statistically insignificant. In contrast, Organisational commitment to
employees did have a statistically significant effect on long-term performance. Greater levels of Organisational commitment to employees were associated with better long-term performance.

Regression analysis was also used to test the influence, if any, that a firm's competitive strategy has the relationship between Organisational commitment to employees and firm's performance. The results indicate that a firm's strategy contributes strongly to understanding the relationship between Organisational commitment of employees and firm performance. Companies with both high Organisational commitment of employees and a clearly focused strategy experience organisational performance twice as high as those companies where a clear business strategy is absent.

2.4 Research Highlights linking QWL, OC and JP

Organisational commitment, the emotional attachment of an employee to the employing organisation, has attracted a substantial body of literature, relating the concept to various antecedents, including organisational structure, and to a range of consequences, including financially important performance factors such as productivity and staff turnover.

In this new era, people are the primary source for a company's competitive advantage and organisational prosperity and survival depends on how employees are treated. Furthermore, it is critical that companies treat people in ways that make them feel committed, if not loyal members. As such, employees expect their job to provide a certain amount of stability and loyalty from the organisation. Quality of Work Life was conceptualised in terms of need satisfaction stemming from an interaction of workers' needs (survival, social, ego, and self-actualisation needs) and those organisational resources relevant for meeting them. It was hypothesised that need satisfaction (or QWL) is positively related to organisational identification, job satisfaction, job involvement, job effort and job performance.
This section provides an understanding about the links of the three variables Organisational commitment, Quality of Work Life and Job performance through various studies and researches.

A research was conducted in telephone call centres of a major retail bank in the UK. These call centres were owned and managed by the bank and were part of its customer service operations. Self-administered anonymous questionnaires were mailed to the Head of Customer Services responsible for each call centre, who further arranged for distribution of the questionnaires to the respective call centre employees. Only those employees who came into direct contact with customers over the phone were asked to fill in the questionnaires.

Researchers argue the importance of the role of Organisational commitment and job satisfaction in customer-contact employees in relation to the service quality delivered to customers. The paper tests empirically the relationship between the Organisational commitment/job satisfaction of these contact employees and service quality in the financial services sector. The relative importance of commitment and job satisfaction in explaining service quality is addressed. The questionnaires were distributed to 710 employees in four call centres and discusses four approaches to measure the Job performance of customer-contact employees namely self-appraisal, peer appraisal, supervisory evaluation and consumer evaluation (Behrman and Perreault, 1982).

Boshoff and Mels (1995) clearly argue that self-rating is valid in certain situations, and correlates highly with other measures of performance.

Neeru Malhotra and Avinandan Mukherjee (2004) researched on Call Centre representatives who evaluated their own performance in terms of service quality on a shortened (11 items) and adapted version of the SERVQUAL instrument (Parasuraman et al., 1988). Appropriate items were selected from the other four dimensions of SERVQUAL, and were linked to a five-point, Likert-type scale ranging from “strongly agree” to “strongly disagree”.
Organisational commitment was measured with the revised three-component scale of Affective, Normative and Continuance commitment (Meyer et al., 1993). All items in the questionnaire were linked to a five point Likert-type scale ranging from “strongly agree” to “strongly disagree”. Empirical results show that the sample comprised 32 per cent males and 68 per cent females. The mean age of the employees was 30 years, and all were permanent staff in the bank. Overall, a similar distribution of employees was found in all four call centres. In the case of the Organisational commitment scale, a significant correlation existed between Affective and Normative commitment ($r=0.537; p<0.01$), while a weak correlation was found between Normative and Continuance commitment ($r=0.128; p<0.05$).

In the regression model, Affective commitment, Normative commitment, Continuance commitment and overall job satisfaction were taken as independent variables, whereas service quality was taken as the dependent variable. The results clearly indicate that the model is significant and holds good. Further analysis of the regression model explains that the only variables to have significant standardised $\beta$ weights were Affective commitment ($\beta=0.313$, $t=4.68$, $p<0.01$) and job satisfaction ($\beta=0.121$, $t=1.76$, $p<0.10$).

LooSee Beh and Raduan Che Rose (2007) contributed to the literature on Quality of Work Life (QWL) by testing the relationship between QWL and Job performance by using questionnaires to survey a sample of 475 managers in a manufacturing industry. The results indicated a significant positive relationship between QWL and Job performance. A two-factor model with correlated factors was postulated and supported. Structural equation modelling procedures showed that the two constructs are highly correlated ($r = 0.94$) and represent a distinct concern on work life. Implications of results and directions for future research are offered.

Vathsala Wickramasinghe (2010) explored work-related attitudes of Information Technology (IT) enabled Business Process Outsourcing (ITeS-BPO) employees. There are 25 firms operating in Sri Lanka that fall into
the category of ITes-BPO; a random sample of 117 employees from these 25 firms responded to the survey. The findings suggest that tenure has a significant effect on task autonomy and marital status has a significant effect on working hours. A research exploring work-related attitudes of ITes-BPO employees towards their work and work environment is considered as active and promising destination for such services could provide practitioners with key information that could enable them to make informed managerial decisions.

HR professionals all over the world, working in Call-Center or Contact Center or BPO industry is breaking their heads to formulate Retention Strategies but nothing is working in their favour. The average attrition rate in this sector is still 35-40%. After taking exit-interviews and analysing the trend the following are the reasons for a BPO professional to change his/her job were no growth opportunity/lack of promotion, pursue higher salary, higher education, misguidance by the company, policies and procedures are not conducive, no personal life, physical strains and uneasy relationship with peers or managers.

Fundamental changes are taking place in the work force and the workplace that promise to radically alter the way companies relate to their employees. Hiring and retaining good employees have become the chief concerns of nearly every company in every industry. Companies that understand what their employees want and need in the workplace and make a strategic decision to proactively fulfil those needs will become the dominant players in their respective markets.

The fierce competition for qualified workers results from a number of workplace trends, including a robust economy, shift in how people view their careers, changes in the unspoken "contract" between employer and employee, corporate cocooning, a new generation of workers, changes in social mores and life balance.

Gwendolyn M. Combs, Rachel Clapp-Smith, Sucheta Nadkarni (2010) published that much attention has been given to the explosion in Business Process Outsourcing (BPO) operations in India. Using a sample
of 160 service workers from a privately held BPO firm in India, the relationship between Indian service workers' hope and their performance outcomes was examined. Regression and structural equation model analyses indicated a significant positive relationship between Indian service workers' levels of hope and their performance. These promising results highlight the importance of measuring and managing employee hope to maximise employee productivity and performance. By effectively developing and managing levels of employee hope, Indian BPO firms can successfully combat employee problems such as attrition, stress, and burnout that have plagued the BPO industry.

Goffin, Richard D., Gellatly, Ian R., Meyer, John P., Paunonen, Sampo V., Jackson, Douglas N. (1989) In their study scrutinised relations between the performance of first-level managers in a large food service company and their Affective commitment (i.e. emotional attachment to, identification with, and involvement in the organisation), Continuance commitment (i.e. perceived costs associated with leaving the company), and Job satisfaction. Commitment and satisfaction scores were correlated with three indexes of performance obtained from the managers' immediate supervisors. As predicted, Affective commitment correlated positively and Continuance commitment correlated negatively with all three measures of performance. Job satisfaction did not correlate significantly with performance ratings. The findings are interpreted as illustrating the importance of distinguishing between commitment based on desire and commitment based on need and as supporting organisational efforts to foster effective commitment in their employees.

The following study would provide insights to understand the profile of workers in BPO sector.

Babu P. Ramesh (2003) in his critical findings on Labour in Business Process Outsourcing based on the case study of call centre agents examines the vulnerabilities and insecurities of labour engaged in non-standard work. The typical norms of work and work organisation in the new economic order imply a host of insecurities to the workforce, which
includes growing attrition rates, increased stress at work and eroding collectivity of workers. Further, it is explained as to how the emergence of a new genre of worker, with distinct features and differently conceived identity, enables the firm to draw and maintain a ‘productively docile’ workforce within a changed framework of human resource management.

The discussion is based on the findings of a field study of employees working in six call centres located in Noida focusing on Business Process Outsourcers or call centres, which according to the NASSCOM-McKinsey Report, 2002, were the fastest growing industry, expanding at the rate of 70 per cent in the year 2001-02. Customer care based call centre activities constitute for more than one third of the total employment and revenue in the BPO segment. Given the absence of reliable secondary data on the workforce, the sampling is based mainly on estimates provided by the respondents and through snowball technique.

Table 2.4
Details of the BPOs (Babu P. Ramesh, 2003)

<table>
<thead>
<tr>
<th>Number of firms</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience in BPO business (years)</td>
<td>2-5 years</td>
</tr>
<tr>
<td>Major activities</td>
<td>Customer care</td>
</tr>
<tr>
<td></td>
<td>Sales support</td>
</tr>
<tr>
<td></td>
<td>Help desk</td>
</tr>
<tr>
<td>Profile of clients</td>
<td>International</td>
</tr>
<tr>
<td>Number of employees*</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>3705 (61.7)</td>
</tr>
<tr>
<td>Female</td>
<td>2305 (38.3)</td>
</tr>
<tr>
<td>Total</td>
<td>6010 (100.0)</td>
</tr>
<tr>
<td>Process*</td>
<td></td>
</tr>
<tr>
<td>Voice</td>
<td>5364 (89.3)</td>
</tr>
<tr>
<td>Non-voice</td>
<td>646 (10.7)</td>
</tr>
<tr>
<td>Total</td>
<td>6010 (100.0)</td>
</tr>
</tbody>
</table>

Portrayal of ‘work as fun’ and ‘workplace as yet another campus’ is the central logic through which the potential workers are attracted to and engaged in the BPO sector. The superior image of work in the sector and the vibrant ambience of workplace – with sweeping glass and concrete buildings, factory row of jazzy computers, the company of smart and...
trendy peers – help in drawing educated and fun loving youngsters from urban middle class, who are fascinated with western ways of living and modern work environments.

All the call centres selected for the study have less than six years of experience in the business and deal mainly with international clients in the areas of customer care, sales support and help desk.

Most of these workers identify themselves as part of an elite class of professionals and consider themselves superior to their counterparts in traditional industrial/service sector, who are mostly low-skilled, less educated and employed with lower wages and inferior conditions at work. The superior work environment, use of state of the art technology in day-to-day work, better salary structure, catchy designations, smart and young peer workers and so on make the workers to believe that the job being carried out is that of an executive or professional. Confirming to this, most of the respondents in the survey did not find their issues and problems similar to that of conventional manufacturing/service sector workers.

High technology industries operate in a volatile market and experience accelerating growth and rates of change. Skilled employees are well educated, have a strong preference for independence and hold a large part of an organisation’s intellectual capital. Skilled employees are more committed to their career/profession than to their organisation.

However, the progress achieved in this sector in the last 10 years has come at a price. Workers, especially in the Business Process Outsourcing (BPO) sector, are complaining of mental and physical problems due to the nature of their work. Tight deadlines and ambitious targets cause similar problems in the IT sector with "burnout" becoming a commonly used word and heart attacks striking down youngsters, a thing never heard in the decade earlier nine-to-five jobs available in India.

The review had highlighted the importance of understanding the Organisational commitment towards achieving organisations goals. Numerous empirical evidences have revealed that QWL, OC and JP are close correlates. There is progress in our understanding of commitment
and Organisational commitment, both conceptually, and, more practically, in terms of the positive consequences for organisations of having committed employees. As organisations recognise the competitive advantage that can be gained through human resources, research on Organisational commitment has gained importance. Determining factors related to Organisational commitment may be useful on several levels. A review of these variables allowed the researcher to specifically consider those that may be related to the Organisational commitment of employees.

The literature review is an integral part of the entire research project and makes a valuable contribution to almost every operational step. It really enhanced and consolidated the knowledge base and helps to integrate the findings of the present study with the existing body of knowledge.