CHAPTER I

INTRODUCTION

Organisational Commitment has grown in popularity in the literatures of Industrial psychology and organisational behaviour and invited the attention of the investigators and researchers. Organisational Commitment can be described as the strength of an executive's identification with and involvement in a particular organisation. Executives who have committed will put extra effort to contribute to the organisation and they were not prepared to leave the organisation.

Mowday et al., have suggested that gaining a greater understanding of the processes related to Organisational Commitment has implications for employees, organisations, and society as a whole. Employees' level of commitment to an organisation may make them more eligible to receive both extrinsic* and Intrinsic** benefits. In addition, committed employees may be more likely to engage in "extra-role" behaviours, such as creativeness or innovativeness, which are often what keep an organisation competitive. From a larger perspective, a society as whole tends to benefit from employees' Organisational Commitment in terms of lower rates of job movement and perhaps higher national productivity or work quality or both1. Organisational Commitment is considered to be a psychological bond or linking of individual to the organisation.

Extrinsic : Financial benefits or incentives like wages, bonus etc.
Intrinsic : Psychological factors such as job satisfaction, recognition, relationship with co-workers etc.,
Organisational Commitment can be characterised by at least three factors.

- a strong belief in and acceptance of the organisational goals and values:

- a willingness to exert considerable effort on behalf of the organisation; and

- a strong desire to maintain membership in the organisation.

"The willingness of social actors to give their energy and loyalty to social systems, the attachment of personality system to social relations which are seen as self-expressive."

From the above discussion it could be inferred that the concept of commitment consists of three inter related components viz Loyalty, Identification and Involvement.

Loyalty : A feeling of affection for the organisation and the lack of intention to leave the organisation.

Identification : A strong belief in and acceptance of the organisational goals and values as one's own.
Involvement: Spontaneous and active participation in the organisational activities.

There are two widely known views of commitment relevant to work organisations have emerged: attitudinal, or affective commitment and behavioural or continuance commitment. The former is defined as emotional attachment characterised by strong affective ties to and psychological identification with an organisation. The latter stems from Backar's notion of side-bets which refers to the increasing sunk costs of continued Organisational Membership.4

In the present study, the researcher has employed "attitudinal or affective commitment".

It is more realistic to believe that commitment is the result of three concepts viz. psychological, organisational role related and personal factors simultaneously operating in the organisation. Guided by the review of literature briefly presented in the second chapter, the researcher has decided to use the following variables as potential predictors of Organisational Commitment, and their operational meanings are given below:
PSYCHOLOGICAL VARIABLES:

Loyalty

‘Service above self, attachment to the organisation’

* Identification

‘Pride in the organisation, internalisation of organisation’s goals and values as one’s own’.

Involvement

‘Willingness to invest personal effort for the sake of the organisation’.

ORGANISATIONAL ROLE RELATED VARIABLES:

Task

‘Degree of identification with their job’.

People relationship

‘Executives prime interest with people rather than material benefits from the organisation’.

Social involvement

‘Refers to interaction, and identification with other members’.
<table>
<thead>
<tr>
<th>Interpersonal trust</th>
<th>'Trust between individual and groups, which will create a work situation in the level of performance'.</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Organisational stress</td>
<td>'Work related role conflict'.</td>
</tr>
<tr>
<td>Community consideration</td>
<td>'Creation and Maintenance of job Monopolies, that go to a particular caste or group of caste in recruitments and promotions'.</td>
</tr>
<tr>
<td>Perceived goals</td>
<td>'The degree of awareness on the part of the employees towards their own goals and values as well as their organisation'.</td>
</tr>
<tr>
<td>Task autonomy</td>
<td>'The degree to which the organisation provides freedom, independence, and discretion to the individuals in scheduling and execution of a job'.</td>
</tr>
<tr>
<td>* Group cohesiveness</td>
<td>'A feeling of togetherness among members'.</td>
</tr>
</tbody>
</table>
* Creativity : 'Innovative thinking and a spirit of play, as well as of dedication to work'.

* Job scope : 'Scope for advancement and employee growth need strength'.

* Top, middle, lower level executives : 'The persons who execute, control, and provide guidelines for various levels of management functions'.

STATEMENT OF THE PROBLEM

It is generally believed that the concept of commitment consists of three inter-related components namely Loyalty, Identification and Involvement which influence the different levels of executives in different degrees. Depending upon the variation in the degree of the components of the above said three, the commitment level of the executives will also differ. Apart from this, certain organisational role related and personal variables also directly or indirectly influence the executives to be different in the level of their commitment. Further, the principle of mixed economy followed in India paved the way for the simultaneous existence of public and private sector organisations. Of late, the burning problem in our country is that the performance of the public sector organisations is not upto the level of
expectation when compared with the private sector. The general assumption of the people, for this situation, is the lack of commitment on the part of the public sector executives. All the above said problems warrant the researcher to take up an indepth study on this topic entitled "Organisational Commitment of Executives".

IMPORTANCE OF THE STUDY

- The success of an organisation rests on the achievement of organisational goals, which in turn depends upon the intention and initiative of the employees working in the organisation. It is said that man is like a closed watch. Hence, it is very difficult to study the inner feelings and urges of human beings. The willingness of an individual in the achievement of his own goals depends upon the psychological attitude of the individual, and also the matching between the individual and organisation goals. Even if such a kind of matching is found between these two goals there may be some differences in the level of commitment of the employees including the executives of the organisation. Technological development, information and communication revolution, growth of service sectors and global competition have all created storm in the minds of the human beings, ultimately affecting the level of commitment of employees particularly the executives.
According to Henry Ford II, "Executive talent is the most important talent we have. It does not appear on our balance sheet, but it will have more important effects on our progress, our profits and the price of our stock than any other asset we can possess or acquire. Nor is this an asset an expensive one to acquire. It is a bargain buy every day of the year, a low cost risk with a high return potential. If you give as much thought to acquisition and development of men with top Management potential, as you do to planning a plant or a product, nothing can stop our company."

Under the condition stated above, it is imperative to find out the factors and the organisational role related variables responsible for the Organisational Commitment and also to find out the reasons for the differences in the level of commitment between public and private sector executives. Hence, the importance of the study.

OBJECTIVES OF THE STUDY

1. To study the theoretical background of the concept of Organisational Commitment.

2. To identify and analyse the factors influencing the Organisational Commitment of the executives of public and private sector organisations.
3. To measure the attitudes of executives towards Organisational Commitment in both public and private sector organisations.

4. To explore the differences if any, in the level of commitment of the executives between the public and private sector organisations.

5. To summarise, conclude and give suggestions based on the findings of the study.

HYPOTHESES

With the knowledge gained from wider theoretical framework, the researcher has formulated and tested the following hypotheses, to find out the influence of the organisational role related and personal variables, on the three inter-related components of Organisational Commitment (Loyalty, Identification and Involvement) in general and between the public and private sector executives in particular.

- The organisational role related and personal variables considered together will not be able to account for the loyalty of the total executives.
2. The organisational role related and personal variables considered together will not be able to account for the identification of the total executives.

3. The organisational role related and personal variables considered together will not be able to account for the involvement of the total executives.

4. The organisational role related and the personal variables considered together will not be able to account for the variation in the loyalty of the public sector and private sector executives.

5. The organisational role related and the personal variables considered together will not be able to account for the variation in the identification of public and private sector executives.

6. The organisational role related and the personal variables considered together will not be able to account for the variation in the involvement of public and private sector executives.

To measure the attitudes of both public and private sector executives, 34 Likert type statements as given in the questionnaire (Part A), have been formulated of loyalty, identification and involvement.
To explore the differences in the extent of commitment among the three levels of executives (lower, middle, top) of both public and private sectors, the following null hypotheses have been framed and tested.

1. There is no significant difference in the degree of **loyalty** among the different levels of executives between public and private sector organisations.

2. There is no significant difference in the degree of **identification** among the different levels of executives between public and private sector organisations.

3. There is no significant difference in the degree of **involvement** among the different levels of executives between public and private sector organisations.

4. There is no significant difference in the degree of **task** among the different levels of executives between public and private sector organisations.

5. There is no significant difference in the degree of **people relationship** among the different levels of executives between public and private sector organisations.
6. There is no significant difference in the degree of \textit{social involvement} among the different levels of executives between public and private sector organisations.

7. There is no significant difference in the degree of \textit{inter personal trust} among the different levels of executives between public and private sector organisations.

8. There is no significant difference in the degree of \textit{organisational stress} among the different levels of executives between public and private sector organisations.

9. There is no significant difference in the degree of \textit{community consideration} among the different levels of executives between public and private sector organisations.

10. There is no significant difference in the degree of \textit{perceived goals} among the different levels of executives between public and private sector organisations.
11. There is no significant difference in the degree of *task autonomy* among the different levels of executives between public and private sector organisations.

12. There is no significant difference in the degree of *group cohesiveness* among the different levels of executives between public and private sector organisations.

13. There is no significant difference in the degree of *creativity* among the different levels of executives, between public and private sector organisations.

14. There is no significant difference in the degree of *job scope* among the different levels of executives between public and private sector organisations.

**METHODOLOGY**

The study is empirical in nature based on the degree of Organisational Commitment of the executives both in public and private sector undertakings.

(a) **Sample of the Study**

As the study focuses on the three inter-related components of Organisational Commitment namely Loyalty, Identification and Involvement and the influences of organisational role-related and personal variables, on the above said three components, the researcher has purposely and conveniently chosen five public sector and five private sector organisations in and around Madras city.
(b) Tools for Data Collection

Both the primary and secondary data were used for the study. The primary data were collected for a period of six months from January 1994 to June 1994 through a structured questionnaire comprising five parts to know the perceived emotional attitudes of the executives. Published books, articles, magazines, journals and so on were the sources through which the secondary data were collected to strengthen the theoretical background of the study. The total number of executives (235) available at all the three levels (Lower, Middle, Top) in five public and five private sector organisations constituted the population for this study. Though the questionnaires were given to all, only one hundred and seventy eight respondents (N=178) returned the filled in questionnaires. The rate of return was thus 75.74 per cent. Of these the five incomplete and the two filled in questionnaires of the female respondents were excluded. The reason for the exclusion of the latter was its meagre number and the difficulty in drawing useful interpretations. Finally, 171 (72.77 per cent of the total 235) duly filled in questionnaires both from public and private sector (each five units) organisations as detailed below were taken into account for analysis.
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Public Sectors (5 units)</th>
<th>Total Number of Respondents</th>
<th>Name of the Private Sectors (5 units)</th>
<th>Total Number of Respondents</th>
<th>Total respondents of Both public &amp; Private Sectors (10 units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Indian Oil Corporation Ltd.</td>
<td>27</td>
<td>English Electrical Company Ltd.</td>
<td>18</td>
<td>45</td>
</tr>
<tr>
<td>2.</td>
<td>Oil and Natural Gas Commission</td>
<td>17</td>
<td>The Hindu</td>
<td>17</td>
<td>34</td>
</tr>
<tr>
<td>3.</td>
<td>Hindustan Teleprinters</td>
<td>15</td>
<td>T.I.Cycles of India</td>
<td>22</td>
<td>37</td>
</tr>
<tr>
<td>4.</td>
<td>Bharat Electronics Ltd.</td>
<td>13</td>
<td>Sivanandha Steels Ltd.</td>
<td>13</td>
<td>26</td>
</tr>
<tr>
<td>5.</td>
<td>Steel Authority of India Ltd.</td>
<td>13</td>
<td>Ennore Foundries Ltd.</td>
<td>16</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>85</td>
<td>Total</td>
<td>86</td>
<td>171</td>
</tr>
</tbody>
</table>

(c) Tools for Data Analysis

The different statistical tools namely stepwise multiple regression, mean score, standard deviation, correlation analysis, critical ratios, Likert technique and percentages were employed, wherever necessary, to draw inferences and conclusions.
To measure the attitudes of the executives of both public and private sector organisations, some 34 Likert type statements have been formulated after careful consideration. These statements have been thoroughly screened and edited and also the validity of each statement has been tested.

FRAME WORK OF THE QUESTIONNAIRE

The questionnaire administered for the study comprises five parts. In the first part (A), 34 statements in a five points scale are given in order to elicit and measure the degree of Loyalty, Identification and Involvement of the executives and the attitudes of the executives towards the Organisational Commitment. In order to get the true and reliable information from the respondents, the researcher has given different types of indirect questions namely multiple choice, dichotomous and scaling statements in part B, C and D respectively. The last part (E) of the questionnaire has been used to collect information about the profile of the respondents. The relationship of all the responses given for all the five parts of the questionnaire has been related with the different types of variables taken for this study, so as to find out the effect and influence of the variables towards Organisational Commitment. The data so collected by using the different parts of the questionnaire (Part-A to Part-E) have all been used depending upon the requirements for analysis and the results are presented in Chapter IV, V and VI.
LIMITATIONS OF THE STUDY

1. The study was confined to ten organisations (five from public and five from private sectors) of varied settings. The results cannot be generalised to the larger population of all the organisations.

2. All the ten units situated in and around Madras city have been conveniently selected by the researcher for the study.

3. Some of the respondents might have given biased opinion. To minimise such biases, the researcher has taken all precautions.

4. Respondents opinion may change from time to time and the respondents are subject to variation depending upon the situation and attitude of the respondents at the time of the survey.

CHAPTER PRESENTATION

The whole study is presented in seven chapters.

The First chapter, being an introduction, comprises statement of the problem, importance, objectives, methodology and limitations of the study.
Review of the previous studies relating to the Organisational Commitment and the profile of the respondents are given in the Second chapter.

The Third chapter deals with the theoretical background of the Organisational Commitment.

Different factors influencing the Organisational Commitment were identified and analyzed in the Fourth chapter.

In the Fifth chapter, a detailed discussion about the level of attitudes of the executives towards Organisational Commitment of both public and private sector were made and measured.

The difference, if any, in the level of commitment between the three levels of the managerial persons, (Lower, Middle and Top) belonging to both public and private sector organisations were made in the Sixth chapter.

The Seventh, being the last chapter includes, summary, conclusions, findings and suggestions based on the study.
REFERENCES

1. John E Mathew and Dennis M. Zajac.


2. Richard M. Streees.


4. Mark John Somers