

Organizational Commitment of Managerial Employees: A Study of Textile Industry of India

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Abstract

The present study deal with the liberalized and globalised Indian economy which results into a competitive environment. In the ever changing environment with a highly competitive market economy, the human resources provide an edge to an organization. This paper studies organizational commitment of managerial employees working in Indian textile industry. The influence of demographic factors including age, experience in the current organization and marital status on the organizational commitment was also examined. For the purpose of the research 227 participants were selected. Organizational commitment was measured by likert scale. The study found that the level of respondents' organizational commitment was high with normative commitment followed by continuance and affective commitment. Demographic variables abovementioned significantly influenced the organizational commitment of managerial employees. The influence of demographic variables was also studied by using regressions analysis.

Keywords: Organizational Commitment, Managerial Employees, Textile industry

Introduction

Indian organizations are changing from the basic economic system to the market oriented system. Generally, developing and changing economies like India is in an unpredictable and pitiable situation. Yet such developing countries are bound to be increasingly important because of their potential market, raw material and for the strategic centers for the growth in other areas. Now days, foreign companies are entering into the Indian market and giving challenges to the Indian organizations. Among the developing countries the Indian organizations are working better and have gone through a number of structural changes, like market liberalization, growing usage of communication technologies. Teece (1998) noted that in the domestic market the organizations have to face challenges from multinational companies in the globalised and liberalized economy. Due to this competitive environment there is high pressure on the managers. The competition is due to cost reduction and quality improvement of products with excellent service.

Pfeffer (1994, 1998) argued that in the competitive markets success is mainly related with innovation, speed and adaptability rather than economies of scale of production and improved technology. He further

argued that all this is only possible through human resources working in the organization. Along with Pfeffer (1994, 1998), Lawler (1992), Kochan and Osterman (1994) and Levine (1995) have strongly recommended there is need of high involvement of human resources, rather than huge capital investment. For this purpose there is the need to have better HR practices which result in increasing the commitment of the employees, skill and productivity. The idea that human resources and their involvement in the organization for its growth is very much important. This thought can be converted into regular practice through the variety of programs. All these help in the individual development their adjustment to the working environment. The human resources of any organization are necessary for its growth and success. The top management involvement in organization is necessary to attract and retain people. The managers are encouraged to follow the instructions given by the seniors and be the role model for their juniors.

Schein (1990) indicates that individuals are identified with their vision how they behave and what they expect. Organization's vision and mission will not be reality unless and until the employees are involved and integrated with the goal of the organization. But question here arises that how to the employees be committed and show sense of responsibility towards their organizations particularly in changing and competitive working environment where poaching of job and attrition rate is so high and regular feature. The HR practices help in developing better work culture in the organization by generating effective managerial values. Thus the present study is an attempt to study the Organizational Commitment of Managerial Employees working in the Textile Industry.

Review of Literature

Indian Textile Industry

The Indian textile industry is one of the big industries in the world. India produces large varieties of synthetic and manmade fibers which are used to manufacture fabric and garments. The textile sector plays a significant role in Indian economy by contributing to the Gross Domestic product (GDP), generating employment and earning foreign exchange.

Textile Sectors has a number of contributions to the Indian economy:

- Contributing 2% to GDP at factor cost
- Giving 14% of total industrial production
- Contribution to excise and custom revenue is 8%
- Contributing 12% of total exports
- Provide employment to about 35 lakh people

Globally Indian textile industry is:

- Textile industry is the third largest producer of cotton
- Textile industry is the second largest producer of cotton yarn
- Textile industry is the fifth largest producer of synthetic fibre/yarn
- Textile industry is the largest producer of jute and second largest producer of silk

Present Status of the Indian Textile Industry

As per value terms

Among the world, Indian textile industry is the largest textile industry. The economy of India largely depends upon the manufacturing of textile and its exports. With the export of textile India earns about 27% of foreign exchange.

As per unit terms

After china, Indian Textile Industry has the second largest capacity of spindles in the world. India represents 20% of spindle capacity of the world. In case of power looms Indian Textile Industry has 2.2 lakhs power looms, 3.5 lakhs handlooms, and an estimated 92,000 lakhs looms in the organized mill sector. The weaving capacity of India is highest in the world i.e. 61.6% of global weaving capacity.

Total processing units in India are 2300. Almost all of them are independent, only with 22 integrated with spinning, weaving and knitting units. Total number of manufacturers are approximately 27000, 48000 contractors and above 1000 exporters of garments India. Cotton is one of the main crops of India and it is the main fibre for the textile industry. All the cotton used in India grown locally.

Performance of Competitors

Due to their better competitiveness competitors of India, could achieve higher export growth rate than India. One of the major determinants is the standard cost of production in global textile and garment industries which determine international competitiveness. Pakistan, Bangladesh and China are strong competitors of India with respect to textile and garment manufacturing industry. To improve the performance of Indian textile industry and to increase textile exports, it is necessary to focus on reducing labor costs, increasing productivity of labor, reducing power cost, improving the hours of work, reducing transport costs and reducing the VAT rates for apparels (Ministry of Textiles, 2011).

Organizational Commitment

Organizational commitment reflects an employee's identification and involvement with a particular organization Mowday, Steers & Porter (1979). It embraces

three dimensions:

- (i) a strong belief in the goal of the organization and accepting it;
- (ii) a willingness to do unmatched effort to achieve that goal;
- (iii) a strong desire to be the part of the organization.

The three drivers of employee commitment are fairness, trust and concern for employees. Providing right kind of light, temperature, seating, and cleanliness, e-mail and telephone facility and supervisory care, cooperation, team working and mentoring can enhance organizational commitment of the employees Bragg (2002).

Organizational commitment has been a concern for employees and employers because of the impact and influence it has on work performance. It is very much described in human resources management and organizational behavior literature as a key factor in which help in describing the relationship between employees and their organizations Cohen (2007).

Organizational commitment being an important variable affecting largely the possible stays of talented employees and also the job performance of an individual and hence affects organization performance largely Chaturvedi (2014). According to Meyer and Allen (1997), "Individuals who have strong affective commitment remain in the organization because they feel they want to, some with a stronger normative commitment remain because they ought to and those with strong continuance commitment remain because they need to". These three fundamental components related to the organizational commitment have been found in literature very frequently, such as: affective, continuance, and normative Allen and Meyer (1990); Karrassch (2003); Greenberg (2005); Turner and Chelladurai (2005).

Affective commitment- it means refers to a positive affection toward the organization, reflected in a desire to see the organization succeed in its goals and a feeling of pride at being part of the organization Cohen (2003). It is psychological attachment to organization.

Continuance Commitment- It refers to "an individual's awareness of the costs of leaving the organization" Meyer et al. (1993).

Normative Commitment- It is the obligation to remain with the organization, have continuous participation of the employees in the organization Wiener and Gechman (1977); Meyer and Allen (1991); Meyer et al. (1993); Ayeni and Phopoola(2007).

Research showed that affective commitment occurs when employee wants to stay; continuance commitment occur when the employee needs to stay; and the normative

commitment occurs when the employee feels s/he ought to stay in the organization Meyer et al. (1993); Suma and Lesha (2013).

The question here rises how the employees feel committed towards their organization in the present scenario where poaching of job is normal.

A review of the literature reveals that organizational commitment is very much important for achieving organizational goals However; organizational commitment issues have not been adequately researched and given any emphasis with special reference to the textile industry of India. So this generates the gap which needs to be studied as it is a big industry in India. Butt, Khurshid and Hafeez (2014) studied organizational commitment of women working in leadership positions in Saudi Arabia and found that organizational commitment plays an important role.

Thus, organizational commitment is the key indicator of organizational performance; so an attempt has been made to examine the Organizational Commitment of Managerial Employees of Textile Industry.

Objectives Of The Present Study

- (1) To study the organizational commitment of managerial employees in the textile industry of India.
- (2) To study which type of commitment among three abovementioned is more significant for the managerial employees in the textile industry of India.
- (3) To study the effect of demographic variables on the organizational commitment of managerial employees in the textile industry of India.

Research Methodology**Hypothesis**

To test the validity of the above objectives the following hypotheses have been developed.

Hypothesis1 (H1): Perceived organizational commitment is high among managerial employees in the textile industry of India.

Hypothesis2 (H2): Organizational commitment increases as age and experience increases.

Hypothesis3 (H3): Married persons are more committed to their organizations than unmarried.

Sample

The present study was done to check the organizational commitment of the employees of the textile units in Punjab. The study had been conducted at three levels of management to show the complete picture organizational commitment of the employees in the textile units in Punjab. Primary data was collected from the major textile players in Punjab. The

sample consisted of 227 respondents working in an organization belonging to Textile unit Major six textile players were chosen to collect the data.

Organization under study

Source of data

Primary data was used by filling the questionnaire from the employees at managerial level for studying the Organizational Commitment of the employees.

Measure of Organizational Commitment

For the purpose of measuring organizational commitment the questionnaire of organizational commitment used in the study developed by Meyer and Allen in 1990 had been taken. The scale had three measures named as Affective Commitment, Normative Commitment and Continuance Commitment. The questionnaire had 24 items. The representation of different components according to the statement number is given below in Table 1.

Table1: Measures of Organizational Commitment

Sr.	Measures		Statement Number
1	Affective Commitment	:	1 to 8
2	Normative Commitment	:	9 to 16
3	Continuance commitment	:	17 to 24

The items were scored on a five-point Likert scale according to the following response categories:

- 1 – Strongly disagree
- 2 – Disagree
- 3 – undecided
- 4 – Agree
- 5 – Strongly agree

For the purpose of measuring Organizational Commitment the Cronbach alpha reliability coefficients is 0.672. The reliability test indicates that all subscales of the Organizational Commitment questionnaire were internally consistent. The Cronbach's Alpha coefficient demonstrated sufficient reliability for further utilization in the study.

Results and Discussion

Results

Levels of organizational commitment

To determine the respondents' level of organizational commitment, the mean and std. deviation of three levels of organizational commitment, were calculated.

The results based on organizational commitment levels indicate that the majority of the respondents reported high organizational commitment. But the level of response is highest in case of normative commitment having mean of 3.94 and continuance commitment having mean of 3.94, affective commitment having mean of 3.88. Hence, the results support H1, which indicates that the perceived organizational commitment level of managerial employees is high in the textile industry of India shown in Table 2.

Table2: Level of organizational commitment on (N = 227)

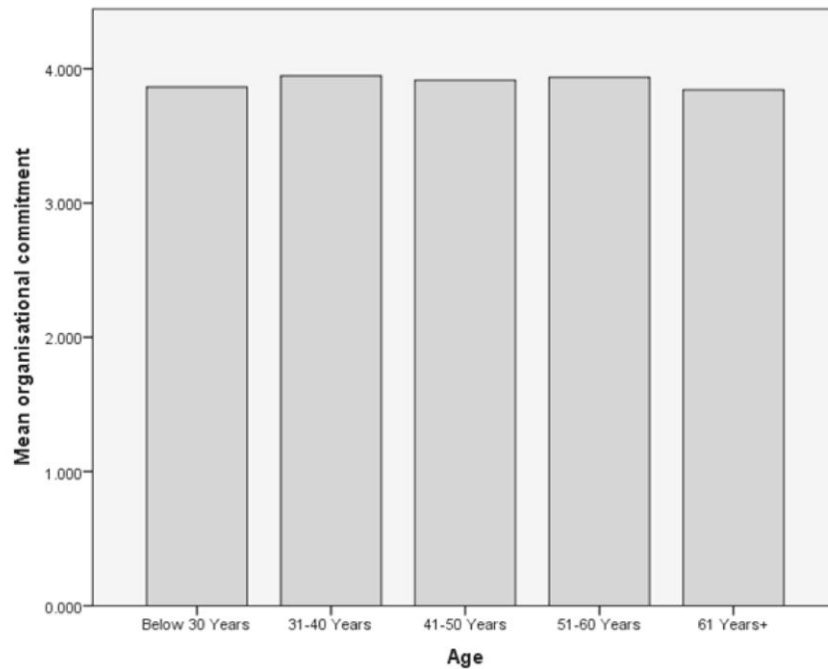
	N	Mean	Std. Deviation
Affective commitment	227	3.88	.191
Normative commitment	227	3.94	.219
Continuance commitment	227	3.94	.217
Valid N	227		

Demographic variables and organizational commitment

Age: There are 13 persons (Below 30), 32 persons are (Greater than 30 - Less than 40), 46 persons are (Greater than 40 - Less than 50), 15 persons are (Greater than 50 - Less than 60) and 4 persons are (Greater than 60). Figure 1 show

the influence of age on organizational commitment show that all the persons working in the organization have greater commitment to the organization but the persons in the age group 30-40 are more committed towards their organization. So it does not fully satisfy the H2 that organizational commitment increases as age increases.

Figure 1 Influence of age on organizational commitment

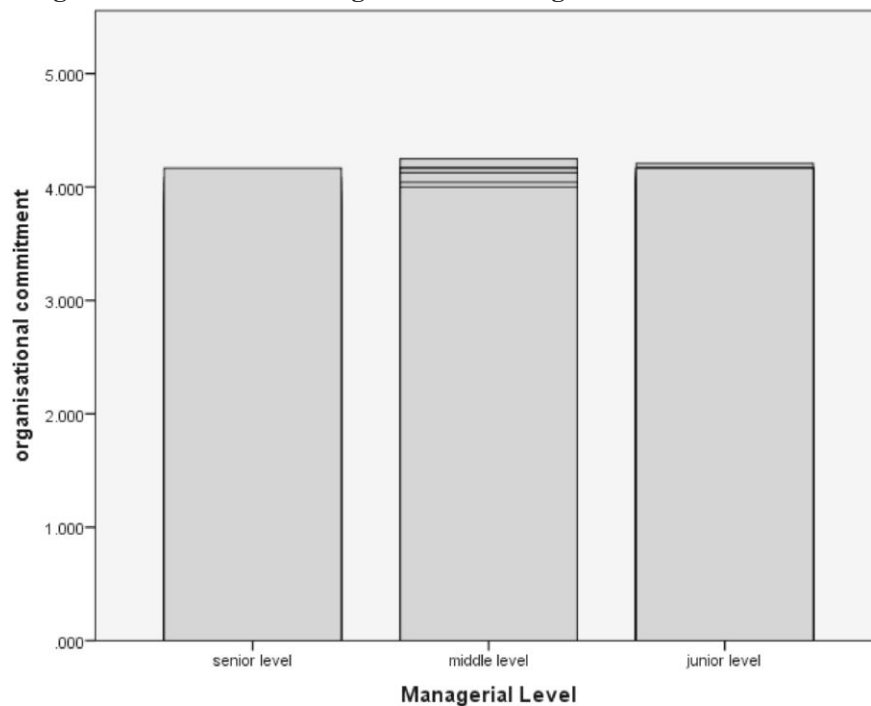


The figure above shows that the organizational commitment level among the managerial employees is good but it is highest between the age group Greater than 30 - Less than 40.

Experience in current organization: there are 13 persons are those who had worked since (5-10 years), 4 persons are (10-15 years), 71 persons are (15-20 years), 22 persons are those

who had worked for above 20 years in the same organization. The influence of experience in current organization on organizational commitment show that person who had worked for 15-20 years are more committed to their organization as compare to others shown in Figure2. So it does not fully satisfy the H2 that organizational commitment increases as experience in current organization increases.

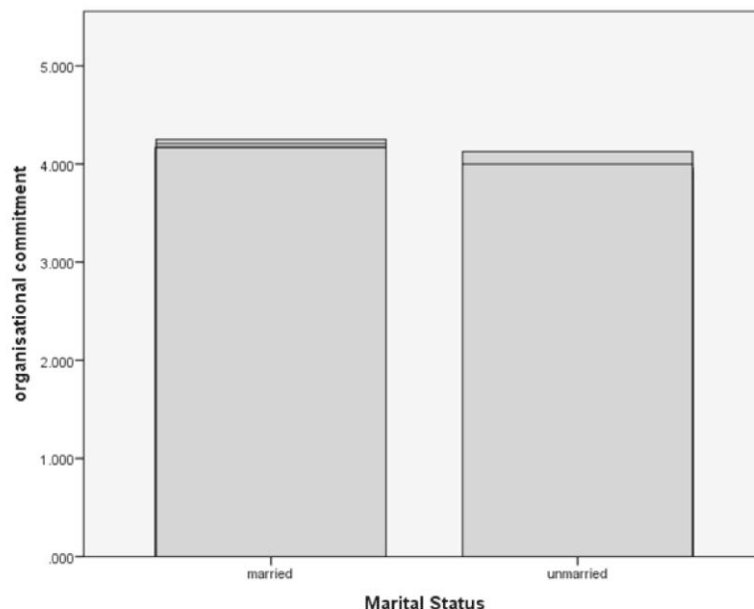
Figure 2 Influence of managerial level on organizational commitment



The figure above shows that the organizational commitment level among the managerial employees is good but it is highest of the persons having 15-20 years experience. So we can say that organizational commitment not only depends upon the age and experience in the current organization, it does not increase as age and experience increases. It varies from person to person. Thus, our H2 that organizational commitment increases as age and experience increases prove to be wrong.

Marital status: The present study shows that there are about 90% employees who are married and only 10% employees who are unmarried. Figure3 show the influence of marital status on the organizational commitment show that married persons are more committed towards their organization as compare to the unmarried ones. Thus this proves the H3 that married persons are more committed to their organizations in terms of affective, normative and continuance commitment than unmarried.

Figure 3 Influence of marital status on organizational commitment



Influence of the independent demographic variables on organizational commitment: The strengths of influence that each of the independent demographic variables had on the dependent variable organizational commitment was shown by regression analysis. Organizational Commitment was determined by the use of multiple regression

coefficients of the independent variables. The influence of each independent variable is shown in Table 3. The F value is .621 that is significant at P = 0.603 suggesting that three independent variables have significantly explained the Organizational Commitment.

Table 3: Influence of the independent variables on Organizational Commitment

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	.092	3	.031	.621	.603 ^b
Residual	5.261	106	.050		
Total	5.353	109			

a. Dependent Variable: Organizational commitment

b. Predictors: (Constant), Marital Status, Exp_Current, Age

Discussion

The results of the present study indicate that the respondents showed a high level of organizational commitment explored. The results are in accordance with the work of Allen and Meyer (1993). The study suggests that employees with a strong affective, normative and continuous commitment recognize that leaving their organizations may affect them financially. The reason behind it is lack of employment opportunities and a loss of savings. As if they

left their present job they have to wait till the next best alternative meanwhile they have to spend their own savings. Moreover sometimes the specific skill which they had acquired from their job might not be suitable to other organizational contexts. Thus, to be with the in present organizations keeps them mentally and psychologically safe.

The study also included demographic variables that influence the perception of organizational commitment. Age, experience in current organization and marital status indicate a significant relationship with organizational commitment. Mathieu and Zajac (1990); Meyer et al. (2001) had studied the correlation between age and affective organizational commitment. Allen and Meyer (1993) suggested that age has a stronger positive relationship with continuance commitment than affective commitment. After working for an organization for an extended period, person often feel that leaving their organizations would forfeit them of their invested time and other things of value such as personal relationships, retirement and pension opportunities. The results of this study reveal that both continuance and affective commitment increased with experience. Sheldon (1971) also found that there is a positive relationship between employment experience and organizational commitment. For instance, Meyer and Allen (1997) argued that the longer employees work in an organization, the greater attachment they develop towards the organization.

This study further reveals that marital status is significantly related to organizational commitment, a finding similar to earlier studies of Meyer et al. (2001); Mathieu and Zajac (1990). It is shown that the married person is more committed towards his /her organization as compare to the unmarried person this might be due to security of the job, dependency of their family on them and for their financial freedom.

Conclusion

The present study proved the hypotheses correct that organizational commitment is affected by demographic variable. The study shows that there is a clear positive relationship between both particularly in the Indian textile sector. No doubt that there is the limitation of sample and research design moreover the respondents are also of Punjab region only but still, being the major textile units, it is relevant. Another limitation might be on the basis of measures used, which were based upon the thinking of the respondents.

Particularly, organizations generally look into the ways which would help in increasing the commitment level of the employees by giving them growth opportunities, best remuneration, reward which ultimately increase their potential. The type of job person is doing, the benefits related to it and the career growth opportunities affect the organizational commitment level of the employees. The findings of the present study are significant for the Human Resource managers. No doubt the results can't be specified but even then they are giving certain direction. Human resource management practices are important tool for the growth of the organization they are strong predictors of organizational commitment of managerial employees.

Recommendation

Thus the present study states that to compete in this competitive market, the textile unit selected needs to work constantly upon the areas that can create a difference from the Human resource perspective, an effective human resource practices in all the departments can make all the difference. Enhanced commitment of the employees increases the productive results of the selected textile unit. So it is necessary to not to take employees commitment level for granted. Research showed that the Affective commitment helps in promoting psychological bond among employees and their organizations, which help in achieving the common goal of the organization Vandenberghe et al. (2004). Therefore appropriate employee engagement strategy should be followed by the organization to help to convert employees' commitment into a speedy action.

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