

You Can't Make Omelette Without Breaking Eggs

Gulfam Khan Khalid*, Arooj Malik** and Ghazala Shaheen***

Present study focuses on the understanding of organizational commitment in both public and private sectors. The framework of this study measures employee's organizational commitment and its dependency on factors like employee motivation (extrinsic and intrinsic) and organizational culture (goal clarity and empowerment). Research was conducted through questionnaire survey that generated 76% response rate from 300 employees of 98 organizations located in Islamabad and Rawalpindi in seven different industries including Information Technology, Telecommunication, Banking, Education, Oil & Gas, Hotel and Small and Medium Enterprises. The findings show that both in Public and Private sectors and in all industries organizational commitment of employees is more driven by intrinsic motivation factors than extrinsic motivation factors. Moreover goal clarity and job empowerment strongly affects perceived organizational commitment. Intrinsic motivation for top level managers and intrinsic motivation for middle level employees has less impact factor on organizational commitment. Empowerment of public sector employees and goal clarity of private sector employees have comparatively less impact on organizational commitment.

Field of Research: Human Resource Management

Key Words: Organizational Commitment, Organizational Culture, Goal Clarity, Empowerment, Extrinsic Motivation, Intrinsic Motivation.

1. Introduction

Every organization draws certain performance indicators and performance measuring parameters. Effective and efficient acquisition of these parameters may be translated in an organization's success. It is an uphill ever challenging task for the organizations to acquire, exploit and maintain

***Gulfam Khan Khalid**, Lecturer, Faculty of Management Sciences, National University of Modern Languages Islamabad, Pakistan, Email: gulfam@hotmail.com, gulfam@numl.edu.pk

****Arooj Malik**, Lecturer, Department of Business Administration, Federal Urdu University of Arts, Science & Technology Islamabad, Pakistan Email: aroorj_malikk@yahoo.co.in

*****Ghazala Shaheen**, Assistant Professor, Department of Business Administration, Federal Urdu University of Arts, Science & Technology Islamabad, Pakistan

Khalid, Malik & Shaheen

Email: ghazalasatti99@hotmail.com

success. This success has not a simple sure recipe. After repeated hits and trials organizations finally identify the right mix of multiple factors of production. The task is further complicated by the fact that every industry is facing change turmoil. Adding to it is another fact that organizations today stand exposed to a survival threat due to aggressive competition. Out of the many reasons of this competition, a few are extensive globalization, increased quality management, increased consumer awareness, changing lifestyles, changing demographics and economic trends. But the only distinctive competency ensuring the organization success in an ever changing global scenario and local events is its *committed and skilled workforce*. Human Resource Management (HRM) in Pakistan is adopted in response to the challenges posed by globalization to bring efficiency in the economic and business activities. However, the adoption of HRM is still in its preliminary phase in Pakistan.

The contribution of this study to the literature is multi-fold. Firstly, the study demonstrates the impact of motivation (intrinsic and extrinsic) and organizational culture (goal clarity and empowerment) on organizational commitment. Secondly, it provides a comparative analysis between public and private sector on one side and between top level and middle level managers on the other. Finally the study has a unique importance as it is conducted on 98 organizations in public and private sectors in seven different industries of Pakistan.

2. Literature Review

2.1. Organizational Commitment

Organizational commitment is the only dependent variable in this study and according to some researchers (Crewson, 1997; Steers & Porter, 1983) is also a better measurement of human behavior in organizations than some other related measures including job satisfaction and job involvement. Some researches (Allen and Meyer, 1990; Becker, 1992) classified organizational commitment into three basic components i.e. *affective, continuance and normative commitment*. Mowday, Steers and Porter (1979) defined *Affective Organizational Commitment* as, “a strong belief in and acceptance of the organization’s goals and values; a willingness to exert considerable effort on behalf of the organization; and a strong desire to maintain membership in the organization.” *Continuance Organizational Commitment* is based on side bet theory. It is a form of psychological attachment to an employing organization that reflects the employee’s perception of the loss he/she would suffer if they were to leave

Khalid, Malik & Shaheen

the organization (Allen and Meyer,1990). *Normative commitment* is that which is induced by a feeling of obligation to remain with an organization. Such a feeling often results from what Weiner (1982) characterized as "generalized value of loyalty and duty."

2.2. Employee Motivation

Blumberg & Pringle (1982) and Scully (1994) stated: Knowing the relevant dimensions of employee motivation is the ability to make objective assessments of what employees want from their jobs and whether they feel they are getting it. An employee is considered to enjoy job security when an individual remains employed with the same organization without a reduction of seniority, pay, pension benefits, and other benefits (Yousef, 1998). Three variables (*Job Security, Pay and Promotion*) are measured to determine the impact of extrinsic motivation on organizational commitment.

2.2.1. Employee Motivation and Organizational Commitment

The impact of employee motivation on organizational commitment has been a leading theme of research in the past decade in the developed countries (e.g. Crewson, 1997; Steers & Porter, 1983) and the results have been encouraging, indicating positive association between employee motivation and organizational commitment. Generalized claims about enhancing employee commitment and motivation also appear in lists of managerial objectives for pay system (Hume 1995). The above review of relevant literature concludes on the following hypothesis.

Hypothesis 1a: The level of intrinsic motivation factors positively affects perceived organizational commitment.

Hypothesis 1b: The level of extrinsic motivation factors positively affects perceived organizational commitment.

2.3. Organizational Culture

Organization Culture has been identified as one of the five basic leverage points that affect morale and performance of an organization (Zeffane, 1990). Of the various aspects of organizational culture, only two are the focus of this study i.e. Employee Empowerment and Goal Clarity.

2.3.1. Employee Empowerment

One of the most frequently referenced definitions of empowerment is that offered by Conger and Kanungo (1988). They define empowerment as "a process of enhancing the feelings of self-efficacy among organizational

Khalid, Malik & Shaheen

members through the identification of conditions that foster powerlessness, and through their removal by both formal organizational practices and informal techniques of providing efficacy information.” Ugboro and Obeng (2001) stated that in organizations, employee empowerment is achieved by encouraging employees to respond to work-related problems and giving them the resources and authority to do so.

2.3.2. Goal Clarity

Whereas goal clarity can be defined as clearness and directness of the state of affairs that a plan is intended to achieve and that (when achieved) terminates behavior intended to achieve it. In other words, the directness of the ends justifies the means.

2.3.3. Goal Clarity, Empowerment and Organization Commitment

The relationship between Goal clarity, Empowerment and Organization commitment is an egg-and-chicken debate. This study expects that perceived clarity of organizational and individual's goals coupled with the availability of organizational resources along with a freedom of discretion and a sense of efficacy leads to high organizational performance.

Similar findings are presented by Claydon and Doyle (1996) in a way that commitment to organizational goals and values are both good in themselves and productive of rewards to the individual. And by depicting the phenomenon of fulfilling one's moral duty as an employee by exercising disciplined discretion (employee empowerment). The above review of literature leads to the assessment of the impact of employee empowerment on organizational commitment.

The above discussion leads to the formulation of second hypothesis of the current study.

Hypothesis 2: The degree of goal clarity and autonomy (empowerment) in organizations positively affect perceived organizational commitment.

2.4. Sector, Managerial Level and Organizational Commitment

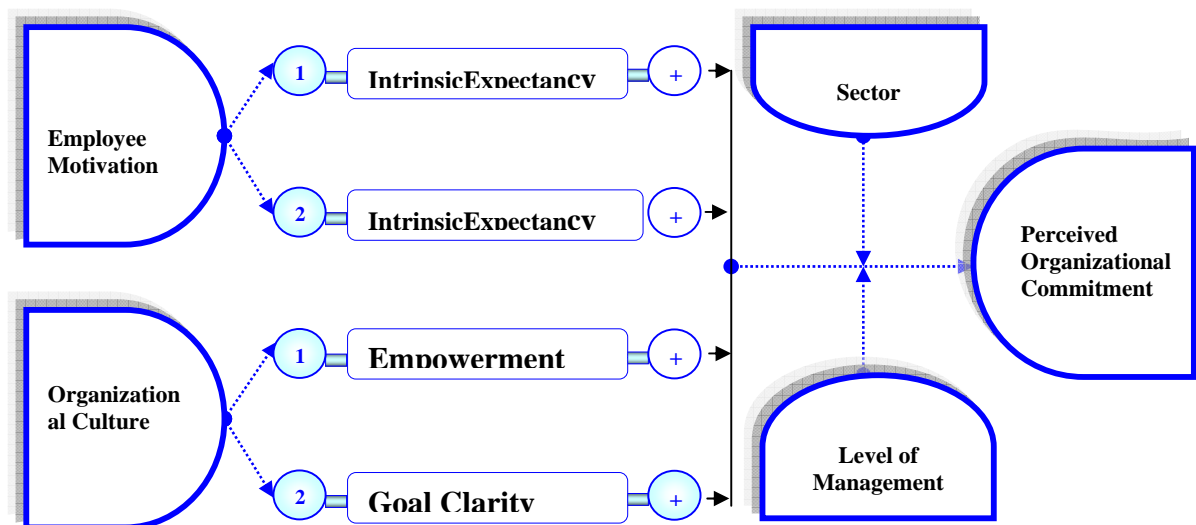
Productivity and efficiency is much better in private sector than the Government sector in Pakistan, that's why Government sector is looking forward to privatization. After 30 years of industrial development in Pakistan, the number of competent managers in the public sector, capable of increasing productivity and possessing a sophisticated insight into the financial, technical and managerial complexities of the public enterprise, are very few. (Hassan, 2004). For instance, Buchanan (1974a, 1974b) found that public managers have a lower level of organizational

Khalid, Malik & Shaheen

commitment than private managers. The same findings are also supported by Balfour and Wechsler (1990) provided an interesting finding: that public organization is likely to have a higher level of internalization but a lower level of identification commitment than private organizations. The present study focuses to identify the nature of motivation, significance of goal clarity and empowerment needs of employees hypothesizing that these factors substantially affect organizational commitment.

Responding to the concerns about the decline of morale and motivation of public employees (Volcker Commission, 1989), many scholars began to pay close attention to motivational issues, job satisfaction, and organizational commitment in public organizations. To date, this research has presented mixed findings, whereas other researchers (Balfour & Wechsler, 1991) indicated opposite or inconclusive results. Crewson (1997) found that there is a consistent difference in the reward motivation between public and private employees.

Figure 2.1: Theoretical framework representing association among employee motivation, organizational culture and organizational commitment



The above discussion is concluded with the third hypothesis of the current study.

Hypothesis 3: Public managers are likely to have a higher level of perceived organizational commitment than private managers.

Kingsley and Reed(1991) examine the effects of managerial level and sector in public and private sector. The power-based theory hypothesizes that there is a positive relationship between organizational commitment and power-related variables (Wilson, 1999).

The fourth hypothesis concluding the above review of literature is:

Hypothesis 4: Top managers are more likely to have a higher level of perceived organizational commitment than middle managers.

3. Research Methodology

This study follows a relational approach in order to determine the relationship among employee motivation (intrinsic expectancy and extrinsic expectancy), organizational culture (goal clarity and empowerment) and organizational commitment (affective, continuance and normative commitment). The total of 254 employees from 98 organizations in seven different industries both in public and private sector responded against the survey instrument. The respondents selected for this study were both the top level and middle level managers. The study generated 85% response rate from all seven industries including Information technology (IT), Telecommunication, Banking, Education, Oil & Gas, Hotel (purely private sector industry) and Small and medium enterprises(SME) from the cities of Islamabad and Rawalpindi.

For this study non probability sampling technique was used. Survey questionnaire was used as research instrument and organizations were visited personally. Total number of questionnaires floated was 300. Only 228 questionnaires were received as properly filled questionnaire (i.e. 76% response rate). Sector (public and private) and Managerial level (top and middle) were used as moderating variables. Responses for each factor were taken on a five point Likert scale where '1' meant strongly disagreed and '5' meant strongly agreed. Regression analysis were used to identify the intensity of each predictor variable on the dependent variable.

4 FINDINGS AND DISCUSSION

The research study has been carried out in order to examine the impact of employee motivation and organizational culture on organizational commitment of employees in different sectors on one side and at different managerial levels on the other.

4.1. Management Level – Wise Analysis

Khalid, Malik & Shaheen

Table 4.2. depicts the regression outcomes for overall response of all employees in both public and private sector in seven different industries on one side and that of top level and middle level managers on the other. These regression models are noteworthy and significant. The output in the case of model (Overall), 34% variability is explained in the organizational commitment. 'Intrinsic Expectancy' (0.3297), 'Empowerment' (0.2152) and 'Goal Clarity' (0.2650) are high impact creators in Organizational Commitment while 'Extrinsic Expectancy' (0.1389) is comparatively low impact creators in Organizational Commitment. Extrinsic Expectancy (including job security, pay and promotion) has low impact on organizational commitment because in these competitive and growing industries most of the employees focus on protean career rather than traditional career. They believe on psychological success, employability for flexibility and lateral mobility. They prefer high sense of achievement and work importance to pay, promotion and job security.

Table 4.2. Comparison for Regression Results of Overall Employees with Top Level and Middle Level Managers

	Model Overall	Model Top Level	Model Middle Level
Organizational Commitment			
Intrinsic Expectancy	*0.3297	** 0.1534	*0.3601
Extrinsic Expectancy	**0.1389	*0.3846	**0.1470
Empowerment	**0.2152	**0.2810	* *0.2292
Goal Clarity	*0.2650	*0.4319	*0.2146
R2	0.3519	0.5059	0.3279
Adjusted R2	0.3402	0.3741	0.3076
F	30.1365	3.8389	16.1028
** P < 0.10, * P < 0.05	N=228	N=21	N=138

In model (Top Level), variability in dependent variable is increased to 37.5%. 'Extrinsic Expectancy' (0.3846), 'Empowerment' (0.2810) and 'Goal Clarity' (0.4319) are high impact creators in Organizational Commitment while 'Intrinsic Expectancy' (0.1534) is comparatively low impact creators in Organizational Commitment. Interesting results of regression model – Top Level depicts the magnitude of commitment where commitment of top level managers is more based on pay, promotion, job security and goal clarity than sense of work achievement and work importance and employability for flexibility. Reasons may vary but it is seen that more than often after reaching at that high positions managers find less chance of promotion (slow growth), need maximum empowerment, focus more on goal clarity and prefer not to switch the organization. And definite availability of all these factors leads to high organizational commitment. 'Intrinsic Expectancy' with impact factor

Khalid, Malik & Shaheen

(0.1534) does not indicate that top level managers have least sense of achievement and work importance among many more intrinsic motivational factors but their intrinsic expectancy is not directly and strongly linked with organizational commitment.

Similarly in the output in the case of model (Middle Level) as, 30% variability is explained in the organizational commitment. 'Intrinsic Expectancy' (0.3601), 'Empowerment' (0.2292) and 'Goal Clarity' (0.2146) are high impact creators in Organizational Commitment while 'Extrinsic Expectancy' (0.1470) is comparatively low impact creators in Organizational Commitment. Middle level managers achieve increments, promotions and job security through achieving high sense of achievement and realizing work importance. Thus at the start and mid of their professional career, they are more focus on experience, expertise and achievements rather than pay and promotion. Empowerment give them confidence and increase their retention and minimize their intention to leave. The more the managers are clear in their goals the more they are clear in their career planning and management and the more they look commitment towards the organization.

4.2. Sector-wise Analysis

The output in the case of model (Public) as shown in table 4.3., 49% variability is explained in the organizational commitment. 'Intrinsic Expectancy' (0.1947), 'Extrinsic Expectancy' (0.2066) and 'Goal Clarity' (0.4979) are high impact creators in Organizational Commitment while 'Empowerment' (0.0640) is comparatively low impact creator in Organizational Commitment. Managers in public sector organizations normally have average salary increments, slow but sure promotions, definite job security and management wants them to have high sense of work importance and achievement. Moreover in public sector, managers have clear understanding about goals (that are not as challenging as in private sector) on one side and these goals are easily measurable and achievable on the other.

Khalid, Malik & Shaheen

Table 4.3. Comparison for Regression results of Public Sector, Private Sector and Semi-Government Employees

	Model Public	Model Private	Model Semi-Government
Organizational Commitment			
Intrinsic Expectancy	*0.1974	*0.3509	*0.3849
Extrinsic Expectancy	**0.2066	**0.1399	*0.2474
Empowerment	*0.0640	**0.2128	**0.1448
Goal Clarity	*0.4979	*0.1756	**0.1560
R²	0.5237	0.2762	0.4772
Adjusted R²	0.4925	0.2496	0.4191
F	16.7666	10.3959	8.2153
** P < 0.10, * P < 0.05	N=67	N=115	N=42

This clarity in goals leads managers to have clear career growth in the existence of other intrinsic and extrinsic motivational factors that in results leads to high organizational commitment. On the other side the reason for very low impact factor of 'Empowerment' (0.0640) on organizational commitment may be that in public sector empowerment is directly linked with positions in Pakistan and changes in this mapping is rare. Thus organizational commitment in public sector may have stronger link with promotion than empowerment.

In model (Private) as shown in table 4.3., variability in dependent variable is increased to 25%, 'Intrinsic Expectancy' (0.3509) and 'Empowerment' (0.2128) is high impact creators in Organizational Commitment while 'Extrinsic Expectancy' (0.1399) and 'Goal Clarity' (0.1756) are comparatively low impact creators in Organizational Commitment. To put into a nutshell, in private sector blend of employee motivation and organizational culture may collectively strengthen the overall impact on organizational commitment.

Similarly in the output in the case of model (Semi-Government) as shown in table 4.3., 41% variability is explained in the organizational commitment. 'Intrinsic Expectancy' (0.3849) and 'Extrinsic Expectancy' (0.2474) are high impact creators in Organizational Commitment while 'Empowerment' (0.1448) and 'Goal Clarity' (0.1560) are comparatively low impact creators in Organizational Commitment. In semi-government organizations employee motivation more positively affect organizational commitment than organizational culture.

The results of the study highlighted that almost in all sectors and industries organizational commitment of employees is more likely to be

Khalid, Malik & Shaheen

affected by intrinsic motivation factors than extrinsic motivation factors. Thus in order to get greater goods and benefits, organizations are in greatest need to identify organizational extrinsic and intrinsic motivation factors and to expedite employee satisfaction. As an old French saying goes, you cannot make omelette without breaking eggs, similarly organizations cannot enjoy commitment and its outcomes without exchanging rewards and meeting employee needs. Supporting to this fact is the finding, that the degree of goal clarity (0.2650) and that of job empowerment (0.2152) in organizations strongly effect perceived organizational commitment. Intrinsic motivation for top level managers and intrinsic motivation for middle level employees has less impact factor on organizational commitment. On the other side, empowerment of public sector employees and goal clarity of private sector employees have comparatively less impact on organizational commitment. Organizational commitment of public managers is more likely to be affected by extrinsic motivation factors (0.2066) than intrinsic motivation factors (0.1974). The reason of findings may lies in willingness of the employee policy makers to either break the eggs (providing motivational wants and better organizational culture) or how intelligently they make omelette (enhance productivity by retaining employees through strong commitment).

Rererences

Allen, N.J. & Meyer, J.P. 1990. "The measurement and variables associated with affective, continuance and normative commitment to the organization", *Journal of Occupational Psychology*, Vol.63, pp1-18.

Balfour, D., & Wechsler, B 1990. "Organizational commitment: A rcconceptualuation and empirical ICM of public-private differences", *Revicw of Public Personnel Administration*, Vol.10,pp 23-40

Balfour, D., & Wechsler, B 1991 "Commiitment, performance, and productivity in public organizations", *Public Productivity & Management Review*, Vol.14, pp 355-367

Becker, T.E. 1992. "Foci and bases of commitment: are they distinctions worth making?", *Academy of Management Journal*, Vol.35, no.5, pp 232-244.

Blumberg, M, & Pringle, C. D, 1982."The missing opportunity in organizational research: Some implications for a theory of work performance", *Academy of Management Review*, Vol.8, pp.560-569

Khalid, Malik & Shaheen

Bowen, D.E. and Lawler, E.E. 1992. "The empowerment of service workers: what, why, how and when", *Sloan management Review*, pp.31-40

Buchanan, B 1974a, "Building organizational commitment; The socialisation of managers in work organization", *Administrative Science Quarterly*, Vol.22, pp 533 546.

Buchanan,. B. 1974b, "Government managers, business executives and organizational commitment", *Public Administration Review*, Vol.34, pp 339-347.

Claydon, T., & Doyle, M. 1996, "Trusting me, trusting you? The ethics of employee empowerment" *Personnel Review*, Vol.25 No.6, pp.13-25.

Conger, J.A. and Kanungo, R.B. 1988, "The empowerment process: integrating theory and practice", *Academy of management Review*, Vol. 13 No.3, pp.471-82

Creech, R. 1995. "Employee motivation". *Management Quarterly*, Vol.36, no2, pp 33-40.

Crewson, P. 1997. "Public service motivation; Building empirical evidence of incidence and effect", *Journal of Public Administration Research and Theory*, Vol.7, pp 499-518.

Hassan, M. 2004. "Vocational training and skill development: A pivotal contributor in human resource development" *Industrial Relations Journal*, Vol.21 no.3, pp 25-29

Hume, D. 1995, *Reward management: employee performance, motivation and pay*: oxford, Blackwell.

Kingsley, G., & Reed,P.N. 1991. "Decision process models and organizational context: Level and sector make a difference", *Public Productivity and Management Review*, Vol.14,pp 397-413

Mowday, R.T., Steers, R M. & Porter 1979 "The measurements of organizational commitment". *Journal of Vocational Behavior*, Vol.14,pp 224-247.

Scully, J. P. (1994, winter). "How to really change the federal government", *National Productivity Review*, pp. 29-38.

Khalid, Malik & Shaheen

Steers, R., & Porter, L. 1983, *Motivation and work behavior* (3rd Ed): New York: McGraw-Hill.

Volcker Commission 1989, *Leadership for America rebuilding public service* Lexington: MA, D C Heath

Ugboro, I., and Obeng, K. 2001, *Managing The Aftermaths of Contracting in Public Transit Organization: Employee Perception of Job Security, Organizational Commitment and Trust: Technical report* documented by Urban Transit Institute North Carolina A& T State University

Wilson,P.1999 "A theory of power and politics and their effects on organizational commitment of senior executive service members", *Administration and Society*, Vol.31,pp 120-141.

Weiner,Y.1982 "Commitment in organizations: A normative view" *Academy of Management Review*, Vol.7, pp 418-428.

Yousef, D.A. 1998. "Satisfaction with job security as a predictor of organizational commitment and job performance in a multicultural environment". *Journal of Manpower*, Vol.19, no.3, pp 184-194.

Zeffane, R. 1996, "Dynamics of strategic change: critical issues in fostering positive organizational change, Leadership and Organizational" *Development Journal*. Vol.17 no.7. pp. 36-43