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# Organizational Commitment and Perceived Organisational Support : A Study with Reference to the Employees in Private Sector Commercial Banks



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### ABSTRACT

The idea of organisational commitment has drawn a lot of interest from academics in a variety of fields, including management, industrial psychology, industrial sociology, business administration and public administration. It is not unexpected that so much attention has been put into discovering dimension which might affect the level of commitment given the potential significance of commitment to the sociology of organisational behaviour. This study aims to investigate the relationship between organisational commitment and perceived organisational support among employees of private sector commercial banks in Chennai. The findings of the study will contribute to the organizational commitment and factors of organizational commitment of employees in private sector commercial banks in Chennai.

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## 1.0 INTRODUCTION

Human resources are the most crucial asset for all companies, especially banking firms, in the current globalised business environment because of the advantages of generating excellent performance. Organisational support is recognised as a critical element in raising satisfaction and the commitment of employees, it is one of the important concept that holds employees in the companies.

An organization's ability to achieve success and maintain a high standard of quality depends not only on how well it utilises human resources but also on how it fosters loyalty among its members. Employers and employees have found that commitment leads to beneficial outcomes. An increased sense of belonging, security, effectiveness, and career potential can all be attributed to a greater commitment.

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## 1.1 Review of Literature

### 1.1.1 Organisational Commitment

Mowday, Porter, and Steer (1982) described organisational commitment as “the relative strength of an individual's identification with and involvement in a particular organisation and can be characterised by a strong belief in and acceptance of the organization's goals and values, willingness to exert considerable effort on behalf of the organisation, and a strong desire to maintain membership in the organisation”.

Recent years have seen a lot of interest in organisational commitment in businesses. According to Mathieu and Zajac (1990), there have been several empirical investigations that have both an outcome and an antecedent and support the organisational commitment notion. It is presumed that individuals who have significant organisational commitment would illustrate a wide range of beneficial workplace behaviours, including excellent job performance and civic engagement, both of which will undoubtedly be advantageous to the organisation. This idea is an important factor of an employee's psychological conditions, which has resulted in a surge in interest and focus on organisational commitment literature.

### 1.1.2 Perceived Organisational Support

There is a lot of interest in perceived organisational support among management and psychology scholars. Organisational support has been explaining in a variety of ways throughout the literature. According to Eisenberger *et al.*, (1986), perceived organisational support refers to "workers' worldwide beliefs regarding the organization's level of value for their contributions and concern for their well-being." Another way to define perceived organisational support is how much an organisation values and cares about its employees (Allen *et al.*, 2008).

The perception of organisational support, which is influenced by workplace environment and some human resource initiatives, determines the attitudes and actions of optimistic employees. Fairness in treatment, supervisor support, awards, and attractive working conditions were strongly correlated with the perception of organisational support. On the other hand, employees' efforts are strengthened by a role of organizational support, culminating in much more persistent attempts to meet the organisation's goals. objectives. theory of organisational commitment, when given an increased level of support, employees go above and beyond to aid their organisation in achieving its objectives. This is because support from higher authorities has a big impact on employee commitment and job satisfaction.

Employees that receive support from their employer believe it is offered because they are valuable workers. Workers who feel valued and appreciated by their employer are satisfied with their work and loyal to it.

Prior research has shown that organisations' support of their employees' organisations results in an enhancement of good behaviours and attitudes (Riggle *et al.*, 2009). Perceptions of organisational encouragement has a little or major impact on ongoing commitment.

Several perspectives have been used to conceptualise this idea and has been examined in this study from both a behavioural and psychological perspective. Organizational commitment has been researched using the behavioural approach from the results of reward and work between both the subordinates and higher authorities. The psychological approach, on the other hand, views companies' encouragement from the perspective of subordinates' identification with their company where they work.

In this study, the [Meyer and Allen \(1997\)](#) model, which established a model of organisational encouragement based on the type of relationship that occurs between workers and subordinates has been employed. This model is detailed below.

Employees' association with and involvement in the organisation is called as affective commitment and basis for their commitment to stay in their company is either the expenses associated with quitting or the perception of a lack of available alternative employment options. ([Reichers, 1985](#); [Murray, Gregoire, and Downey, 1991](#); [Buitendach and Witte, 2005](#)). Normative commitment, relates to a worker's sense of obligation to work for the company. ([Wiener and Gechman, 1977](#); [Meyer & Allen, 1991](#); [Roussenu, 1995](#)).

### 1.3 Purpose of the Study

This study attempts to look into how employees of private sector commercial banks perceive organisational support in connection to organisational commitment aspects. The impact of demographic variables including age, education, and experience on organisational commitment has also been shown. By providing empirical data on the factors impacting organisational commitment among employees, the study's findings are meant to address a research gap created by the lack of studies on employees' organisational commitment in private sector commercial banks in Chennai. In order to maximise the competency and capacity of their personnel by increasing their level of commitment, the findings of this study will also be helpful to policy makers at private sector commercial banks.

### 1.4 Research Questions

The research questions of the study are:

- 1) Does Organisational Commitment depend on demographic factors?
- 2) How much does perceived organisational support influence affective, normative and continuance commitment?

## 2.0 METHODOLOGY

This study was conducted utilising a survey methodology using well-structured, extensive questionnaires. Employees from three private sector banks in Chennai - Axis Bank, HDFC Bank, ICICI, and Kotak Mahindra Bank - make up the sample. 200 employees were given a structured questionnaire, and 163 of their responses were complete.

### 2.1 Profile of the Respondents

The respondents were full-time, permanent workers of Chennai's top four commercial private banks. 53.5% of the sample are male, while 46.5% are female. 28.8% are between 26 and 30 years, 52.0% between 31 and 35 years, 13.3% between 36 and 40 years, 6.6% between 41 and 50 years, and 1% over 50 years. Since the majority of the sample (80%) were under 35 years old, the sample was considered to be of a comparatively youthful age. The majority of respondents (86%) had a higher degree in terms of education. Also, 18.3% of respondents had worked for the current company for more than five years, and 48.3% of respondents had been in their positions for at least five years. 66% of respondents had non-managerial positions, making up the remaining 34% of respondents.

## 2.2 Variables Used in the Study

Perceived organizational support is the independent variable and the dependent variable is organizational commitment with three dimensions that are affective, continuance and normative commitment.

## 2.3 Instruments Used

The instrument to measure Perceived Organizational Support, was taken from Eisenberger *et al.*, (1986). In the current investigation, the eight-item, condensed version was used.

Organisational commitment survey instrument was adapter from Meyer and Allen (1991), which includes emotional commitment, continuation commitment, and normative commitment. It identifies 24 components that can be separated into three dimensions. A 5-point Likert scale, from “strongly disagree” to “strongly agree”, was employed.

## 2.4 Validity and Reliability

The questionnaires' reliability and validity were evaluated. By calculating Cronbach's Alpha, the internal consistency of the scale was evaluated. The dependability value for the factors influencing organisational commitment ranges from 0.6 to 0.9. These results suggest that all of the items selected for each questionnaire component have excellent and consistent reliability levels.

## 2.5 Statistical Tool Used in the Study

Regression analysis was done to determine the impact of the independent variable, perceived organisational support, on the analysis of organisational commitment among employees of private sector commercial banks in Chennai. Using descriptive statistics with mean values, the impact of specific demographic variables on the organisational commitment dimensions was assessed.

## 2.6 Hypotheses

Based on the literature, the following three hypotheses were tested.

- **H<sub>1</sub>:** Affective commitment is significantly and favourably influenced by perceived organisational support.
- **H<sub>2</sub>:** Normative commitment is significantly and favourably influenced by perceived organisational support.
- **H<sub>3</sub>:** Perceived organisational support has a big, good impact on long-term commitment.

## 3.0 RESULTS AND DISCUSSION

### 3.1 Demographic Variables and Organisational Commitment

Demographic variables refers to the characteristics of the research participants, collected to determine whether the sample selected for the study represents the population for the purpose of generalisation. Such demographic factors play an important role in human resource management decisions as they have significant influence on the outcomes and hence the practices adopted by the organisation should be in alignment with the interest and characteristics of the employees (Huselid, 1995). There can be a difference in perception of employees since they can experience same practices differently based on the demographic variables (Garg & Punia, 2015; Ferguson, 2007).

The effects of demographic factors on the respondents from the private sector commercial banks have been examined. These factors include age, education, experience, and gender.

*Table 1 – Mean Values of the Variables of Organisational Commitment Based on Age of the Respondents*

<b>Dimensions of Organisational Commitment</b>	<b>26-30</b>	<b>31-35</b>	<b>36-40</b>	<b>41-45</b>	<b>46-50</b>	<b>&gt;50</b>
Affective Commitment	3.00	2.65	2.63	3.23	1.96	2.05
Normative Commitment	2.25	2.34	2.10	2.83	2.82	1.73
Continuance Commitment	2.75	2.64	2.21	2.80	1.92	1.89

It is clear from the Table 1 that all of the variables' means are higher than 2.0. The mean values of the six age categories of the respondents in private sector commercial banks also show a respectable diversity. It is discovered that individuals between the ages of 41 and 45 have high levels of affective commitment (3.23), normative commitment (2.83), and continuation commitment (2.80).

*Table 2 – Mean Values of Variables of Organisational Commitment Based on their Education*

<b>Dimensions of Organisational Commitment</b>	<b>UG</b>	<b>PG</b>	<b>Professional</b>
Affective Commitment	2.1902	2.1315	3.8550
Normative Commitment	2.0272	2.7305	3.5400
Continuance Commitment	2.8370	2.9167	2.8400

Table 2 shows that there seems to be a difference in the mean values among the respondents according to their level of education. It demonstrates unequivocally that respondents with high qualifications are more devoted. As a result, it can be claimed that the dimensions of organisational commitment in private sector commercial banks differ in their mean values according to the level of education of the personnel.

*Table 3 – Mean Values of Organisational Commitment Variables Based on Years of Experience*

<b>Dimensions of Organisational Commitment</b>	<b>&lt;10</b>	<b>10-20</b>	<b>20-30</b>	<b>&gt;30</b>
Affective Commitment	1.95	2.19	2.92	2.48
Normative Commitment	1.66	1.96	2.45	1.13
Continuance Commitment	1.89	2.10	2.29	2.11

Table 3 shows that there appears to be a variance in the mean values across the respondents depending on their level of experience. It demonstrates clearly the greater commitment of respondents with twenty to thirty years of experience. In light of the employees' experiences in private sector commercial banks, it is concluded that the dimensions of organizational commitment exhibit variation in the mean values.

Table 4 – Mean Values of Organisational Commitment Variables Based on Gender of the Respondents

Dimensions of Organisational Commitment	Male	Female
Affective Commitment	3.27	3.21
Normative Commitment	2.96	2.93
Continuance Commitment	2.10	2.03

There appears to be not much of variation in the mean values among the respondents based on their gender. The mean values are above three for affective commitment and above two for normative and continuance commitment among both the male and female respondents (*refer* Table 4).

### 3.2 Regression Analysis

The next part of the study deals with the testing of hypotheses. Regression analysis was employed to test the hypotheses framed for the study (*see* Table 5).

Table 5 – Regression Analysis

Particulars	Unstandardised Coefficient		Standardised Coefficients	T	Sig	R <sup>2</sup>	F-Value	p-Value
Constant	1.848	0.336	0.056	5.498	0.000			
Affective Commitment	0.076	0.047	0.531	1.623	0.000	0.94	444.26	0.000
Normative Commitment	0.397	0.070	0.177	5.633	0.000	0.62	39.361	0.000
Continuance Commitment	0.117	0.073	0.086	1.590	0.000	0.55	26.870	0.000

The first hypothesis was examined in order to see if perceived organisational support influences affective commitment in a positive way. It was discovered that perceived organisational support accounts for 94% of affective commitment. Affective commitment is positively impacted by perceived organisational support ( $p < 0.05$ ). As a result, hypothesis 1 was supported.

The findings of this study demonstrate that perceived organisational support has a considerable positive impact on affective commitment. The employees of private sector commercial banks feels more a part of the organisation when they receive support from their employers. The results support those of [Rhoades and Eisenberger \(2002\)](#) and [Randall et al., \(1999\)](#).

The second hypothesis holds that employees' perceptions of their organization's support have a beneficial influence on their normative commitment. It was discovered that perceived organisational support accounts for 62% of normative commitment. Normative commitment is favourably impacted by perceived organisational support ( $p < 0.05$ ). As a result, hypothesis 2 was confirmed.

The results of this study further demonstrate that perceived organisational support has a favourable impact on normative commitment. Employees feel more morally obligated to stay employed by an organisation the more they believe the organisation is supporting them. This outcome is comparable to earlier findings ([Aube et al., 2007](#); [Lamastro; 2008](#)).

The third theory proposed that employees perceived organisational support has a beneficial impact on their commitment to sticking with the company. The perception of organisational support was found to account for 55% of continued commitment. The perception of organisational support

has a beneficial impact on continued commitment (p 0.05). As a result, hypothesis 3 was confirmed. The findings show that perceptions of organisational support have a favourable, considerable impact on long-term commitment. Strong employees that are devoted to staying with their employers are committed to their banks.

#### 4.0 CONCLUSION

Based on regression analysis, all the characteristics of organizational commitment obviously has a strong association with perceived organizational support. These findings can be used by private sector commercial banks to influence the loyalty of their employees. The results of this study can also assist private sector commercial banks in formulating plans and strategies to increase staff members' organizational commitment. It might probably wind up becoming a tool and source of direction for other tasks. This is essential for the continued existence of commercial banks in the global era, as it is currently difficult to instil a sense of obligation and organisational commitment in employees of private sector commercial banks.

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