

## **EMPLOYEE COMMITMENT AND ITS IMPACT ON ORGANIZATIONAL PERFORMANCE**

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### **ABSTRACT**

Employee commitment always plays a very key role in improving the organizational performance and. The organizational performance can be measured through a lot of ways e.g. company financial performance, employee turnover, return on equity etc. Employee commitment can be boosted through their involvement in assessment construction and providing them chance for better attentive the whole procedure of the organization performance measurement e. g. employee commitment.

This research study attempts to find out the impact of employee commitment on organizational performance in automotive industries. This industry has faced lot of work force challenges in the form of strikes. The sample size for the study were 60 employees (twenty employees each from Human Resource, Marketing and Production department) and the study was conducted in a major automotive industry near Ambattur Industrial Estate, Chennai, descriptive research design was used to collect data for the study. The findings of the study indicate that employee commitment strongly affects job performance of the employees – higher the level of affective commitment, higher the level of job performance among the employees. Effective company policies and benefits along with good employee relations help the company to retain its employees and increase the level of employee commitment which is thus reflected through efficient job performance of the employees.

**KEYWORDS:** Employee Commitment, Job Performance, Automotive Industry

### **INTRODUCTION**

Today it becomes necessary for every organization to have full level of its employee commitment in order to have outstanding performance on long term basis. Currently employees act like entrepreneurs when they work in a team and every member of the team tries his level best to prove he the best among all others. These things increase their commitment level in the organization that ultimately increases the performance of the organization. In past organizations provide job security to its employees to improve their commitment level in the organization and to improve their productivity. Employee commitment always plays a very key role in improving organizational performance and thus can be measured through a lot of ways in various ways like company financial performance, employee turnover, return on equity etc. Employee commitment can be boosted through their involvement in assessment construction and providing them chance for better attentive the whole procedure of the organization performance measurement, e.g. employee commitment. (Shafi & Abbas, 2011)

The concept of organizational commitment is derived from an article “The Organization Man” written by Whyte in 1956. Commitment comes into being when a person, by making a side bet, links extraneous interests with a consistent line of activity. Kanter (1968) defines commitment as “the willingness of social actors to give their energy and loyalty to

social systems, the attachment of personality systems to social relations, which are seen as self expressive. Organizational commitment predicts work variables such as turnover, organizational citizenship behavior and job performance. High performing companies recognize that employee commitment is a major contributing factor towards sustaining long term success and creating value. An engaged workforce helps optimize and retain talent for the long term because the employees choose to stay, even when other employment alternatives exist. (Dixit & Bhati, 2012)

### **Employee Commitment**

Employee commitment refers to the psychological attachment of employees to their workplaces. It is often referred to as 'employee engagement' or 'employee loyalty'. It is the loyalty and support of workforce towards the goals of the organization. It is the extent to which the employees identify with the organization's ethics, cooperate with its goals and objectives and contribute to corporate performance, the degree to which the employees are committed to their work, job and employer can be inferred from their feelings, attitudes, behavior and actions while at work, arises from employees who believe their future is tied to that of the organization and their willingness to make personal sacrifices for the organization. The employee will be considered when he remains with the organization for long time period and desires to live in the same organization. Richard Steers (1977) mentioned out of his study that more committed employees wish to terminate from the organization at minimum level. There will be higher intention of these employees, who are committed to their organization, to remain in the organization and they work hard in performing their tasks that will increase their positive attitude towards the organization and will ultimately increase the productivity of the organization and will in turn result in higher organizational performance. Jeffrey Arthur (1994) stated that organizational performance will be enhanced by higher level of employee commitment. Arthur found productivity of the organization ultimately increased with the help of organizational commitment. Green, Felsted, Mayhew and Pack (2000) found that employee commitment decreases the probability of employees' tendency of leaving the job. Patrick Owens (2006) found in his studies that committed employees lead to higher organizational performance and very low level of employee shift from the organization. Effective organizational commitment is always a result of the core behavior of the major employees along with their behavioral factors like turnover intention (Addae et.al, 2006).

### **Organizational Performance**

Performance is defined as the attained outcome of actions with the skills of employees who perform in some situation (Prasetya & Kato, 2011). According to (Suhartini, 1995), employee performance is a mutual result of effort, ability and perception of tasks. Good performance is a step towards the achievement of organizational aims. More struggle is required to improve the organizational performance. Richard et.al (2009) defines organizational performance can be measured through three basic outcomes which are financial performance, product market performance and return to shareholders. Campbell (1990) defined job performance as behaviors executed in line with the set objectives of the organization. Borman & Motowidlo (1993) explored these behaviors as task and contextual or citizenship performance behaviors.

Task performance includes behaviors which an employee performs to accomplish tasks given to him by his supervisor or behaviors associated with core technical activities of the organization (Borman & Motowidlo, 1993). Whereas contextual or citizenship performance includes behaviors which establishes the organizational social and psychological context and help employees to perform their core technical or task activities.

## Dimensions of Organizational Commitment

Meyer and Allen (1984, 1990, 1991) described the three dimensional model of commitment: Affective, Continuance and Normative. Affective commitment is based on how much individual 'wants' to remain in the organization. Continuance commitment refers to an awareness of the costs associated with leaving the organization. Normative commitment reflects a feeling of obligation to continue employment. Employees with a high level of normative commitment feel that they ought to remain with the organization.

### Affective Commitment

Several studies describe commitment as an affective orientation of the employees towards the organization. Employees with affective commitment continue service with organization because they want to do so. Kanter (1968) describes cohesion commitment as the attachment of an individual's found of affectivity and emotion to the group. Therefore an individual who is affectively committed or emotionally attached to the organization:

- Believe in the goal and values of the organization
- Works hard for the organization
- Intend to stay with the organization (Mowday et.al, 1982)

Meyer and Allen (1996) correlates affective commitment with work experiences where employees experience psychologically comfortable feelings (approachable managers), increasing their sense of competence (feedback). The development of affective commitment involves recognizing the organization's worth and internalizing its principles and standards (Beck & Wilson 2000).

### Continuance Commitment

When employees enter into the organization they are bound to maintain a link with the organization or committed to remain with the organization because lack of alternative opportunity or awareness of the costs associated with leaving the organization. The cost associated with leaving includes attractive benefits, the treat of wasting the time, effort spend acquiring, disrupt personal relationship. This was more appropriately defined by Allen and Meyer (1990), he proposed that continuance commitment develops on the basis of two factors: (a) number of investment (side-bets) individuals make in their current organization and (b) perceived lack of alternatives.

These investment can be anything that the individual considers valuable such as pension plans, organization benefits, status etc, that would be lost by leaving the organization which makes them stay with their current employers (Meyer & Allen 1984). Similarly lack of employment alternatives also increases the perceived costs associated with leaving the organization and therefore increase the continuance commitment of employees to the organization (Allen & Meyer 1990). Kanter (1968) defined continuance commitment as 'cognitive- continuance' i.e. that which occurs when there is a profit associated with continued participation and a cost associated with leaving. Somers (1993) suggest that continuance commitment can be sub divided into high sacrifice commitment ('personal sacrifice' associated with leaving) and low alternative commitment ('limited opportunities' for other employment).

The approach of continuance commitment develops when an individual recognizes that he or she loses investments (the money they earn as a result of the time spent in the organization) and perceives that there are no

alternatives or other course of action. Meyer & Allen (1991) also specified that individuals whose most important connection with the organization is based on continuance commitment stay with the organization simply because they have no choice.

### **Normative Commitment**

Normative commitment develops on the basis of earlier experiences influenced by, for instance, family based experiences (parents stress to work loyalty) or cultural experiences (sanctions against job-hopping) (Allen & Meyer, 1996). Normative commitment can increase through beliefs that the employees have that employers provide more than they can give. The normative aspect develops as individual's perception of their moral obligation to remain with a specific organization, irrespective of how much status improvement or fulfilment the organization gives the individual over the years (March & Mannari 1977). Normative commitment/obligation is seen as a result of the receipt of benefits (which encourages a feeling that one should reciprocate) and acceptance of the terms of a psychological contract.

### **Employee Commitment and Organizational Performance**

Committed employees give a big contribution to organizations because they perform and behave on achieving organizations' goals. Workers who are committed to their organization are happy to be members of it, believe in and feel good about the organization and what it stands for, and intend to do what is good for the organization (George and Jones, 1996, p.85). Organizational commitment refers to the psychological attachment of workers to their workplaces (Allen & Meyer 1990, O'Reilly & Chatman 1986). Commitment to organizations is positively related to such desirable outcomes as job satisfaction (Bateman & Stasser 1984, Mowday, Porter & Steers, 1982), motivation (Mowday, Steers & Porter, 1979) and attendance (Mathieu & Zajac, 1990, Steers & Rhodes, 1978) and negatively related to such outcomes as absenteeism and turnover (Clegg, 1983). Horton stated that stronger commitment could result in less turn over and absenteeism thus increasing an organization's productivity (Schuler & Jackson, 1996, p.302). The relationship between organizational commitment and job performance is more tenuous. (Becker, Billings, Eveleth & Gilbert 1996).

Most organizational members are unlikely to make their relationship with a particular employee contingent upon performance, commitment based on identification would not generally be expected to increase performance. Even organizations and supervisors are unlikely to make their relationship with an employee entirely contingent upon the employee's performance, as long as performance meets some minimally acceptable standard. In contrast, commitment based on the internalization of goals and values seems likely to predict performance. Goal setting research demonstrates that commitment to specific, difficult goals leads to high performance (Locke, Shaw, Saari & Latham, 1981). Value performance would presumably be more likely to set such goals. Employees who are highly committed to their organizations and supervisors who internalize the values and goals can be expected to perform at a higher level than employees with less commitment.

### **Impact of Organizational Changes on Employee Commitment**

Organizational changes are increasingly becoming a major component of everyday organizational functioning. All organizations must adapt to new business environment if they are to survive. These changes often involve reorganization which affects employees in many ways (laying off, facing with new job requirements etc). Consequently the employees have begun to re-evaluate their commitment and relationship with organizations. Many authors indicate that

employees' organizational commitment is an important issue, since it is used to predict employees' performances, absenteeism and other behaviors. Also organizations value commitment among their employees because it is assumed that committed employees engage in 'extra-role' behaviors such as creativeness or innovativeness. Since low job performances, absenteeism and lack of creativeness are costly to organizations, organizational commitment is assumed to be a desirable quality of their employees, radical organizational changes have affected employees' commitment, mostly negatively. (Jaros, 1993)

In periods of radical changes such as mergers, acquisitions and downsizing, employees may feel that their attachment (commitment) to the organization has changed, usually decreased. The main reasons leading to decreased commitment during organization transition are:

- **Job Insecurity**

Occurs only in cases of involuntary job loss. Sometimes employees do not know what performances are necessary to maintain a status in a job. Job insecurity affects the work performances. In case of high job insecurity employees' commitment will decrease especially its affective component, continuance commitment could have an increasing tendency to some level. (Herz, 1990)

- **Decreased Trust**

Trust is based on the psychological contract and on the ethical behavior of the management. Radical organizational changes associated with layoffs or breaking psychological contracts often lead to a sense of unethical management behavior. The psychological contract held by an employee consists of beliefs about the reciprocal obligations between the employee and his or her organization. Employees assume if they work hard enough and express high performances, their jobs will be safe. But corporate restructuring during 1980s and 1990s has changed this traditional employee/employer relationship. The basic dimension of a new employment contract is that the employment relationship is situational. (Noer, p.158). This means that no one has a lifetime job, the employees assume this new contract as violation of the old psychological employment contract, which usually leads to reduced commitment to the organizations. The greater degree of trust that the employee experience, the greater individual sense of violation will be, therefore those to be most affected are those who are most emotionally committed to their employers.

- **Job Redesign**

A significant concern of many employees during radical changes is their inability to absorb and cope with increased workloads. The employees are concerned if their job characteristics will change too much. The changes could be quantitative or qualitative. Quantitative changes imply increase in work while qualitative ones imply changes in tasks. Employees often perceive this new environment as more threatening rather than filled with opportunities. The employees' who lack the ability to cope with their new tasks, are more likely to respond negatively to such radical changes. Consequently, they are likely to express less commitment to their organization. (Becker et.al, 1996)

- **Increased Stress**

Stress is primarily caused by uncertainty or the inability to adapt to the new work situation. The best performers, who are essential for the continuation of the organization often leave voluntarily. Consequently crucial skills disappear if organizational memory is disrupted or completely lost. According to Elizabeth Kubler-Ross (1969) employees who see

organizational changes as extremely traumatic events go through several stages in which they express different feelings: denial, anger, bargaining, depression and acceptance and mostly leads to decreased morale, motivation and commitment to the organization.

- **Managing Employees Organizational Commitment**

Employees' commitment is a valuable and intangible asset which can produce very tangible results. Empirical evidence shows that affective commitment is strongly related to the results that organizations value the most. So the management should implement policies which will increase this type of commitment. It is divided into short term and long term. (Addae et.al, 2006)

**Short Term Policies** leading to increased affective commitment are:

- Treating the employee with respect and consideration
- Organizations are to be customer oriented
- Management must clearly define the job and responsibilities of employees, supervisors must clearly communicate to the employees what has to be done and what their expectations are
- **Designing Stimulating Jobs** – tasks that allows employees to use their skills, professional knowledge and judgment, offers job enrichment and employee autonomy
- **Providing High Quality Information to Employees about Company's Plans and Activities** – extremely important during periods when the company is experiencing crises and feel insecure and uncertain about their future.

**Long Term Policies** that lead to increased affective commitment are human resources management practices which are valid for a long period of time.

- **Recruitment and Selection** – Recruitment strategies may be designed to influence the desirable type of commitment. Organizations may provide practical job previews that describe both positive and negative aspects of the job which help them determine whether it will meet their specific needs.
- **Socialization and Training:** Employees who receive training might perceive that the organization values them as individuals and therefore develop a stronger affective commitment. The same training could lead to the development of continuance commitment if it provides specific skills which are valuable only to that organization.
- **Assessment and Promotion:** Perception of fairness in the assessment and promotion process is very important.
- **Compensation and Benefits:** If the employees view a compensation and benefits package from a purely financial point of view, then continuance commitment may increase. If the employees perceive the organization as fair in rewarding its employees then affective commitment is likely to increase.

## REVIEW OF LITERATURE

### Impact of Employee Commitment on Organizational Performance (Oct 2011)

This study conducted by Dr. Zulfiqar Ahmed (Punjab University, Lahore) et.al in October 2011 (Arabian Journal of Business and Management Review), specifies that organizational performance can be enhanced by

involving employees in decision making that will ultimately increase their commitment in the organization. Data for the study was collected from three major cities of Pakistan (Lahore, Rawalpindi and Islamabad). Main focus of the study was on registered organizations, where in questionnaires were filled out from the individuals belonging to different public and private organizations. Convenient sampling method was used wherein 525 questionnaires were duly distributed; Likert 5 point scale having two extreme ends was used for this study. Total sample size of the research was 515, among which 311 were male and 204 were female employees related to Human Resources, Information Technology, Audit and Accountancy, Finance, Marketing, Procurement, Budgeting and Technical departments. The data collected from the study was analyzed using Pearson's correlation, ANOVA, descriptive statistics and coefficient correlations. The findings of the study indicated that there was a moderate level of interdependence between Organizational Performance and Employee Commitment. The research also suggests that further study could be done on other factors that may have direct or indirect impact on organizational performance.

### **The Relationship between Employee Commitment and Job Performance (1999)**

This research study conducted by Eddy Madiono Sutanto, (1999) mentions that committed employees give a big contribution to organizations because they perform and behave on achieving organization's goals. Workers who are committed to their organizations are happy to be members of it, believe in and feel good about the organization and what it stands for, and intend to do what is good for the organization. This study attempted to mention the findings of three other researchers who explain on the commitment – performance relationship.

### **Findings of Stephen L. Fink (1992)**

As the basis of his research he made an interactive model that proposes that, good management practices result in an effective reward system and employee commitment. As a result of his research in two companies, whose 418 and 430 employees, he found that there was significant correlation between employee performance ratings and commitment score in all categories and also the correlation between performance and commitment for managers and operational employees grouped separately were significant in all categories. The higher the level of employee commitment to work, co-worker and organization, the higher level of performance.

### **Findings of Thomas E Becker, Robert S Billings, Daniel M Eveleth and Nicole L Gilbert (1996)**

After conducting a larger project to all 1,803 members of May 1993 graduating class of large northwestern university, Becker et al. found that commitment to supervisors was positively related to performance and was more strongly associated with performance than was commitment to organizations. Further, internalization of supervisors' and organizations' values was associated with performance but identification with the targets. Recent research has suggested that workers can also be differentially committed to occupations, top management, supervisors, co-workers, and customers (Becker, 1992; Meyer, Allen, & Smith, 1993; Reichers, 1986). According to Kelman (1958), compliance occurs when people adopt attitudes and behaviors in order to obtain specific rewards or to avoid specific punishments. Identification occurs when people adopt attitudes and behaviors in order to be associated with a satisfying, self-defining relationship with another person or group. Finally, internalization occurs when people adopt attitudes and behaviors because their content is congruent with the individuals' value systems.

### **Finding of Birgit Benkhoff (1997)**

Her investigation between employee commitment and organizational performance stated that in terms of sales

targets met and change in profits in the branch network of a bank, she found that employee commitment is significantly related to the financial success of bank branches. In addition, supervisory commitment appears to have a particularly strong impact on the outcome indicators. Commitment based on internalization of supervisory and organizational values is related to performance (Becker et al, 1996). Fink finds out that there is significant correlation between employee performance and commitment in all categories (work, co-worker, and organization but last findings suggests that commitment to supervisors is positively related to performance and is strongly associated with performance than is commitment to organizations (Becker et al, 1996; Benkhoff, 1997).

The research finally gives few suggestions and conclusions such as:

- In order to increase performance in organizations, creating employee commitment to supervisors is more valuable than to organizations. Therefore, managers should focus on their strategies to this.
- Committed employees have a vital role in organizations for its surviving and its competing in the rapidly changing world. Therefore, managers should make programs in order to improve the leadership capabilities of supervisors so that employees' commitment can be increased, as Becker et al. and Dessler suggest.
- There is positive and significant relationship between commitment to supervisors and performance. It means that commitment to supervisors become a good predictor to performance than commitment to organizations.

#### **A Study about Employee Commitment and its impact on Sustained Productivity in Indian Auto Component Industry (Sep 2012)**

This research study conducted by Dr. Varsha Dixit and Ms. Monika Bhati (Gautam Buddha University, U.P.) was to identify the impact of Employees' Commitment on sustained productivity in Auto component industry in Greater Noida (India). Organizational Commitment Questionnaire (OCQ) by Meyer and Allen was used for this study. In auto component industry sustained productivity of the employees depends more upon the affective commitment and continuous commitment of the employees. It shows a positive signal of the employees revealing the commitment and attachment of employees to the organization. It is also found that the auto component industry employees are enthusiastic in reflecting their continuance commitment in their work environment to render maximum productivity to their organization. The commitment of the auto component employees is also emphasized through their affective commitment to their organizational goals. The auto component industry has to ensure that the commitment level of employees should be analyzed to the extent of its attachment in the organization and necessary continuous action to increase and maintain the productivity level of employees should be ensured. It has been assumed by research that individuals who were highly committed towards their jobs are likely to be more productive, have higher satisfaction level and have less likely to leave than employees with low commitment. Increase in employee commitment will also help auto component companies to retain employees and move ahead to experience global competition. The results of the study indicate that the Employees Commitment (Affective, Normative, Continuance) are significantly related to sustained productivity in Auto component industry. The research findings reveal that there exists positive relationship between the three commitments – affective, continuance and normative commitment and sustained productivity of the organization. It has also been proved from the results that there exists high degree of correlation between the three independent variables and sustained productivity the dependent variable. These outcomes in turn are associated with guiding the top management for working towards increasing commitment level.



### **The Impacts of Organizational Commitment on Employee Job Performance (2010)**

The basic objective of this research paper written by Muhammed Riaz Khan, et.al, was to investigate the impact of organizational commitment on employee job performance from a sample of 153 public and private sector employees of oil and gas sector in Pakistan. The results revealed a positive relationship between organizational commitment and employee job performance. The study also explores the employee job performance with four demographic variables i.e. male employees are higher counterparts than female counterparts. A total of 230 questionnaires were distributed and personally administered among employees of OGDCL, OMV and SNGPL in Pakistan. The scale used to measure organizational commitment in terms of affective, normative and continuance developed by Allen and Meyer (1991). The tool used for measuring job performance was developed by Williams and Anderson (1991) using four items on a Five point Likert Scale. The study conducted have several significant implications for managers as the findings suggest that the performance of the employee working in the private sector is significantly higher than that of the employees working in the public sector, so managers must devise some strategies which will improve the performance of the employees working in the public sector. All three types of commitment revealed positive relationship with employee job performance. The findings also reveal that demographic variables such as age of the respondents both in public and private sectors has no significant variation in their job performance. Respondents with age group below 25 years have high performance as compared to other age categories. Private sector employees exhibited high sense of performance levels than employees in public sector.

### **Relationship between Organizational commitment and Perceived Employee Performance (March 2006)**

This study conducted by Nazim Ali, et.al, the objective of which was to investigate the impact organizational commitment on perceived employees performance. The sample of the study comprised of Meter Readers, SDOs and Supertendents of WAPDA, KPK of Pakistan. Correlation analysis showed that all three dimensions of organizational commitment had a significant relationship with perceived employees' performance in this study. Regression analysis identified that thirty nine percent of the variance in perceived employees' performance are due to affective commitment, continuance commitment and normative commitment. It also found out that affective commitment and normative commitment are strong predictors of perceived employees' performance. Meyer and Allen model of OCQ was used to measure organizational commitment and Teseema and Soeters (2006) was used to measure perceived employee performance.

### **OBJECTIVES**

- To assess the socio demographic and work related details of the participants
- To identify the effect of Affective commitment on job performance.
- To assess the impact of Continuance commitment on job performance.
- To study the effect of Normative commitment on job performance.
- To assess the job performance level among the employees
- To examine the impact of organizational changes on employee commitment

## HYPOTHESIS

- The higher the work experience, higher the employee commitment towards the organization.
- Higher the employee commitment, higher the organizational performance among employees.

## METHODOLOGY

The research study was conducted in INDWEL – a major automotive ancillary manufacturing industry near Ambattur Industrial Estate, Chennai. The sample size of the study was 60 employees – twenty employees each from Production, Marketing and Human Resource. The researcher used the descriptive research design in the study because it will enable the student to get a proper understanding of the different dimensions of the study as per the given objectives. The Inclusion criteria for the research study will include the employees working in three major departments of the organization for more than one year. The exclusion criteria for the research study will be employees who have 1 year or less than 1 year of work experience in the organization. The researcher used proportionate stratified random sampling technique since it allows for the representation of the subgroups of a homogenous population.

## ANALYSIS AND INTERPRETATION

### Socio Demographic Data

**Table 1: Age**

| Sl. No       | Age          | Frequency | Percent      | Mean        |
|--------------|--------------|-----------|--------------|-------------|
| 1            | 25-35        | 34        | 56.7         |             |
| 2            | 36-46        | 20        | 33.3         |             |
| 3            | 47-57        | 4         | 6.7          |             |
| 4            | 58 and above | 2         | 3.3          |             |
| <b>Total</b> |              | <b>60</b> | <b>100.0</b> | <b>1.56</b> |

Table 1 indicates that 56.7 percentage of the employees fall in the category of 25-35 age group, i.e. young age group, while 33.3 percentage of employees fall in the category of 36-46 age group i.e. middle age group.

**Table 2: Gender**

| Sl. No       | Gender | Frequency | Percent      |
|--------------|--------|-----------|--------------|
| 1            | Male   | 48        | 80.0         |
| 2            | Female | 12        | 20.0         |
| <b>Total</b> |        | <b>60</b> | <b>100.0</b> |

Table 2 indicates that 80 percentage of employees are males and 20 percentage of employees are females.

**Table 3: Marital Status**

| Sl. No       | Marital Status | Frequency | Percent      |
|--------------|----------------|-----------|--------------|
| 1            | Married        | 51        | 85.0         |
| 2            | Unmarried      | 9         | 15.0         |
| <b>Total</b> |                | <b>60</b> | <b>100.0</b> |

Table 3 portrays that 85 percentage of employees are married and 15 percentage of employees are unmarried.

**Table 4: Total Work Experience in Current Workplace**

| Sl. No       | Work Exp. in Current Workplace | Frequency | Percent      | Mean         |
|--------------|--------------------------------|-----------|--------------|--------------|
| 1.           | 0-5                            | 37        | 61.7         |              |
| 2.           | 6-10                           | 18        | 30.0         |              |
| 3.           | 11-15                          | 4         | 6.7          |              |
| 4.           | Above 15                       | 1         | 1.7          |              |
| <b>Total</b> |                                | <b>60</b> | <b>100.0</b> | <b>1.483</b> |

Table 4 indicates that 61.7 percentage of employees have 0-5 years of experience, while 30 percentage of employees have 6-10 years of experience, while 6.7 percentage of employees have 11-15 years of work experience and 1.7 percentage of employees have above 15 years of experience.

**Table 5: Educational Qualification**

| Sl. No       | Educational Qualification | Frequency | Percent      |
|--------------|---------------------------|-----------|--------------|
| 1.           | Diploma                   | 14        | 23.3         |
| 2.           | B. Sc, M. Sc              | 14        | 23.3         |
| 3.           | B. E, M.E.                | 6         | 10.0         |
| 4.           | B.Com, M.B.A, B.B.A       | 14        | 23.3         |
| 5.           | B.A, M.A,B.S.W            | 11        | 18.3         |
| 6.           | B.C.A                     | 1         | 1.7          |
| <b>Total</b> |                           | <b>60</b> | <b>100.0</b> |

Table 5 indicates that 23.3 percentage of employees fall in the category (Diploma, B. Sc, M. Sc, B. Com, M. B. A, B. B. A.), 10 percentage of employees fall in the category (B. E, M. E.), 18. 3 percentage of employees fall in the category (B.A, M.A, B.S.W.) and 1.7 percentage of employees fall in the category (B.C.A.).

**Table 6: Work Timings**

| Sl. No       | Work Timings | Frequency | Percent      |
|--------------|--------------|-----------|--------------|
| 1.           | 8am to 8pm   | 50        | 83.3         |
| 2.           | 9am to 5pm   | 10        | 16.7         |
| <b>Total</b> |              | <b>60</b> | <b>100.0</b> |

Table 6 indicates that 83. 3 percentage of employees work from 8am to 8pm and 16.7 percentage of employees work from 9am to 5pm.

**Table 7: Annual Income**

| Sl. No       | Annual Income   | Frequency | Percent      | Mean        |
|--------------|-----------------|-----------|--------------|-------------|
| 1.           | 50000 – 100000  | 9         | 15.0         |             |
| 2.           | 100001 – 200000 | 18        | 30.0         |             |
| 3.           | 200001 – 300000 | 17        | 28.3         |             |
| 4.           | 300001 - 400000 | 12        | 20.0         |             |
| 5.           | 400001 - 500000 | 3         | 5.0          |             |
| 6.           | Above 500000    | 1         | 1.7          |             |
| <b>Total</b> |                 | <b>60</b> | <b>100.0</b> | <b>2.75</b> |

Table 7 indicates that 30 percentage of employees earn income from 100001 – 200000, 28.3 percentage of employees earn income from 200001 – 300000, 20 percentage of employees earn income from 300001 – 400000, 15 percentage of employees earn income from 50000 – 100000, 5 percentage of employees earn income from 400001 – 500000 and 1.7 percentage of employees earn income above 500000.

**Table 8: Total Years of Previous Work Experience**

| Sl. No       | Yrs of Work Exp. | Frequency | Percent      | Mean        |
|--------------|------------------|-----------|--------------|-------------|
| 1.           | 0-5              | 30        | 50.0         |             |
| 2.           | 6-10             | 17        | 28.3         |             |
| 3.           | 11-15            | 5         | 8.3          |             |
| 4.           | Above 15         | 8         | 13.3         |             |
| <b>Total</b> |                  | <b>60</b> | <b>100.0</b> | <b>1.85</b> |

Table 8 portrays that 50 percentage of employees have a previous work experience of 0-5 years, 28.3 percentage of employees have a previous work experience from 6-10 years, 13.3 percentage of employees have a previous work experience above 15 years and 8.3 percentage of employees have previous work experience of 11-15 years. Previous work experience matters a lot when it comes to providing full contribution towards working in the current company, work experiences help to get a better idea and experience about the current job and improves the progress towards the company and job.

#### **Employee Commitment**

**Table 9: Affective Commitment**

| Sl. No       | Affective Commitment | Frequency | Percent      | Mean       |
|--------------|----------------------|-----------|--------------|------------|
| 1            | 1- 2.3 –low          | 6         | 10.0         |            |
| 2            | 2.4 – 4.7 medium     | 54        | 90.0         |            |
| <b>Total</b> |                      | <b>60</b> | <b>100.0</b> | <b>1.9</b> |

Table 9 indicates that 90 percentage of employees possess medium level of affective commitment towards the company and their job and 10 percentage of employees possess low affective commitment towards their job in the company. This shows that the employees are emotionally attached and sensitive towards their job and are highly contributive towards the progress of the company and put in their best towards bringing out the best in the company.

**Table 10: Continuance Commitment**

| Sl. No       | Continuance Commitment | Frequency | Percent      | Mean         |
|--------------|------------------------|-----------|--------------|--------------|
| 1.           | 1- 2.3 –low            | 31        | 51.7         |              |
| 2.           | 2.4 – 4.7 medium       | 29        | 48.3         |              |
| <b>Total</b> |                        | <b>60</b> | <b>100.0</b> | <b>1.483</b> |

Table 10 shows that 51.7 percentage of employees possess low level of continuance commitment and 48.3 percentage of medium level of continuance commitment. This indicates that the company is motivating and encouraging enough that the employees want to continue within the company and higher percentage of employees say that they don't want to leave the company. Attractive company policies and benefits for the employees encourage and motivate the employees to continue further and put in their best in the company which would help the company to emerge as overall best.

**Table 11: Normative Commitment**

| Sl. No       | Normative Commitment | Frequency | Percent      | Mean        |
|--------------|----------------------|-----------|--------------|-------------|
| 1.           | 1- 2.3 –low          | 41        | 68.3         |             |
| 2.           | 2.4 - 4.7 medium     | 19        | 31.7         |             |
| <b>Total</b> |                      | <b>60</b> | <b>100.0</b> | <b>1.31</b> |

Table 11 indicates that 68.3 percentage of employees possess low level of normative commitment and 31.7 percentage of employees possess medium level of normative commitment. This shows that effective company policies help the employees to build an effective bond with the company and motivate the employees to perform better and effectively towards the success of the company and help to build a cordial relationship with the employees.

### **Job Performance**

**Table 12: Job Performance**

| Sl. No       | Job Performance            | Frequency | Percent      | Mean        |
|--------------|----------------------------|-----------|--------------|-------------|
| 1            | 21-30 Meets expectations   | 3         | 5.0          |             |
| 2            | 31-40 Exceeds expectations | 41        | 68.3         |             |
| 3            | 41 - 50 Outstanding        | 16        | 26.7         |             |
| <b>Total</b> |                            | <b>60</b> | <b>100.0</b> | <b>4.21</b> |

Table 12 indicates that 68.3 percentage of employees indicates that the job performance exceeds expectations, 26.7 percentage of employees indicate outstanding job performance and 5 percentage of employees indicate average level job performance. Results show that cordial company relationship with the employees is the main factor for exceeding job performance. Effective and motivator factors in job motivate the employee to perform at a higher level and encourage them to continue in their job and provide their best in the company. Company should follow attractive policies and schemes to motivate and encourage employee job performance which also promotes employees growth and productivity of the company. The results indicated that 90 percentage of the employees showed a medium level of affective commitment, 51.7 percentage of the employees showed low level of continuance commitment and 68.3 percentage of the employees showed a low level of normative commitment. The employees showed 68.3 percentage of job performance rate, indicating that their performance 'Exceeds expectations'. This clearly indicates that the employees showed a higher level of affective commitment compared to continuance and normative commitment which was clearly shown in their performance, all the employees showed an exceeded level of job performance as a result of their affective commitment towards the organization. This study shows a positive signal among the employees revealing the commitment and attachment of employees to the organization. It was also found that the automotive industry employees are enthusiastic in reflecting their commitment in their work environment to render maximum productivity to their organization. This thus shows that Employee commitment (affective, normative and continuance) does play an important role in fostering the organizational performance and thus helping the employees to contribute more towards the company's growth and productivity.

### **DISCUSSIONS**

In consonance with other findings, many scholars studying the relationship between HRD, organizational commitment and job performance found different results given in different subjects and industries. It has been realized that "high commitment" human resource practices increase organizational effectiveness by creating conditions where employees become highly involved in the organization and work hard to accomplish the organization's goals

(Arthur, 1994; Wood and de Menezes, 1998) by increasing their employees' commitment to the organization. A review by Delery (1998) shows that early studies of human resource practices attempted to find the universally best conduct of each independent practice. However, recently results have also shown that high commitment practices can work well synergistically, reflective of a general commitment strategy. Across a variety of industries (e.g, automotive assembly plants, steel companies and minimills, not-for profit organizations), organizations with high commitment systems experience greater productivity, financial performance, and effectiveness than organizations with low commitment or control systems (e.g, Arthur, 1994; Delaney and Huselid, 1996; Huselid, 1995; Ichniowski et al. 1997; MacDuffie, 1995; Youndt et al, 1996).

The organizational context (e.g, fit) and goals (e.g, outcomes) may impact whether particular human resource practices have synergistic or independent effects on firm outcomes (Delery, 1998). Gratton et al. (1999) argue that if a company is to place commitment at the heart of its people strategy then there must be a fundamental change to support reinforce, and value these activities with reward mechanisms. Incorporate people management into the objectives and reward of managers through the provision of training to create higher skill levels within the company and by balancing organizational demands for delivery of the hard financial results with the delivery of the soft people aspects. In essence, they are more likely to be flexible and adaptable, crucial employee characteristics in times of high velocity changes. Legge (1995) feels that the consequences of commitment that have most extensively been researched are its impact on labour turnover, absenteeism and job performance.

This study also clearly shows that employee commitment does play a significant role towards increasing job performance, which is clearly seen through the constant and high rate of job performance. The higher percentage of affective commitment itself indicates that the employees are strongly attached towards the company and aim to promote for the company's overall benefit and success. The different company schemes, attractive benefits, variety of training given to the employees and long term attachment of the employees towards the organization give the employees a mindset to contribute their fullest part towards bring the organization to the top most and put up the best of their performance level. This research confirms what many other organizational studies have found i.e. good organizational culture and HRD strategies are critical to an effective workplace environment and thus play a critical role towards increasing employee job performance through high level of commitment to work towards the organization. Committed and satisfied employees are less likely to leave for another job and are more likely to perform at higher levels. To earn employee commitment, organizations must offer a workplace with effective performance feedback and opportunities for participation and overall employee satisfaction. As couple of managers in their responses wrote about their feelings of employee commitment and overall employee satisfaction as (1) because their seniors are good people, (2) because they enjoyed the work or (3) because they are given responsibility, opportunity to participate, or they are shown respect (4) the company gives them more opportunities to bring out their talent and gives them the required flexibility they need to carry out their work properly.

## CONCLUSIONS

This study shows a positive signal among the employees revealing the commitment and attachment of employees to the organization. It was also found that the automotive industry employees are enthusiastic in reflecting their commitment in their work environment to render maximum productivity to their organization. The automotive industry has to ensure that the commitment level of employees should be analysed to the extent of its attachment in the organization and

necessary continuous action to increase and maintain the productivity level of the employees should be ensured. It has been assumed by research that individuals who were highly committed towards their jobs are likely to be more productive, have higher satisfaction level and have less likely to leave than employees with low commitment. Increase in employee commitment will also help auto component companies to retain employees and move ahead to experience global competition.

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