

AN AUDIT OF EMPLOYEE COMMITMENT TO ENABLE LEADERS TO MANAGE ORGANISATIONAL TALENT

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Abstract

Leaders in motor manufacturing companies are faced with the challenge of talent attraction, development and retention due to constant changes in manufacturing technology. Yet, these leaders are expected to recruit, train and retain specialist skills due to the highly specialised nature of their manufacturing business processes. Another threat faced by these leaders is the loss of skilled talent to their competitors. These challenges have, therefore, created the need to audit employee commitment in a manufacturing organisation in order to enable leaders to initiate talent management practices. It is against this background that this paper poses the question: What is the nature of organisational commitment of manufacturing employees for leaders to be able to manage talent? This question was addressed through a quantitative study of organisational commitment dimensions. The main objective of this study was to audit the organisational commitment dimensions (as measured by Meyer and Allen's Organizational Commitment Scale) within a manufacturing organisation. The data was collected using a survey on a random sample size of N=371, all of whom were employees of a South African motor manufacturing organisation. The results of this study indicate that there are significant differences between organisational commitment dimensions namely; affective, normative and continuance commitments. These findings provide valuable information to assist leaders to propose talent management interventions vital for organisational talent attraction, development and retention.

Key Words: Commitment, Affective, Normative, Continuance, Talent Management, Leadership

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1. Background

In the field of organisational behaviour, organisational commitment is crucial in understanding and managing employee behaviour. The literature review undertaken prior to this study indicates that organisational commitment is a stabilising and obliging force which provides direction to behaviour that binds an employee to a course of action (Meyer & Herscovitch, 2001). According to Cohen (2003, p 3) organisational commitment "as a research topic is important, regardless of its setting because a better understanding of the phenomenon may help us to better understand the nature of the psychological process through which people choose to identify with different objects in their environment and how they find purpose in life". While commitment is essential to understanding human behaviour, it is also an important aspect in developing and implementing talent management strategies. This understanding can assist organisations in determining relevant strategies to manage talent in order to achieve their goals and

mandate. The existing competition for talent among organisations in the labour market suggests that leaders are being compelled to improve their talent attraction, development and retention strategies. An organisation that is able to recruit, nurture and sustain the best talent is able to use its people to gain a competitive edge which, in turn, may lead to high performance and increased customer satisfaction. There is also an argument in the literature that, despite a significant degree of academic and practitioner interest, the topic of talent management remains underdeveloped (Collings & Mellahi 2009:304). This argument is based on the fact that there is a need for further research on those organisational constructs or mediating factors that are relevant for leaders to be able to develop and initiate talent management strategies. Thus, the purpose of this study was to conduct an audit of organisational commitment in order to help leaders to develop talent management strategies relating to talent attraction, development and retention.

2. Organisational commitment and talent management

Organisational commitment is described as the degree to which an employee identifies with the organisation and wants to continue actively participating in it (Newstrom & Davies 2002: 211). The employee's identification with the organisation includes psychological attachment to the organisation and commitment to its goals. Commitment to the organisation is also described as psychological bond between an employee and the organisation (Mathieu & Zajac 1990; Allen & Meyer 1990). The following approaches have been used to describe organisational commitment as a construct:

Motivational approach

In terms of the motivational perspective, organisational commitment is based on the principle that highly motivated employees are committed to their organisation. O'Reilly (1989:17) states that organisational commitment is the "individual's psychological bond to the organisation, including a sense of job involvement, loyalty and belief in the values of the organisation". Organisational commitment from this point of view is characterised by employees' acceptance of organisational goals and their willingness to exert effort on behalf of the organisation (Miller & Lee, 2001). This implies that commitment can be used to describe motivated employees in the organisation.

Behavioural approach

Best (1994:69) indicates that organisational commitment as a behaviour is evident when "committed individuals enact specific behaviours due to the belief that it is morally correct rather than personally beneficial". Reichers (1985: 468) is of the opinion that "organisational commitment as behaviour is visible when organisational members are committed to existing groups within the organisation". Therefore, organisational commitment is a state of being, in which employees are bound by their actions and beliefs that sustain their activities and their own involvement in the organisation (Miller & Lee, 2001). Commitment as a behaviour demonstrates that employees are determined to take a course of action that is consistent and congruent with their bond to the organisation.

Attitudinal approach

Organisational commitment as an attitude reflects feelings such as attachment, identification and loyalty to the organisation as an object of commitment (Morrow, 1993). Meyer, Allen and Gellantly (1990:711) also suggest that organisational commitment as an attitude is "characterised by a

favourable positive cognitive and affective components about the organisation". In addition, Meyer and Allen (1991:67) state that organisational commitment "is a psychological state that characterises the employee's relationship with the organisation, and has implications for the decision to continue membership in the organisation". This attitudinal description of organisational commitment is relevant to this study as it helps to determine organisation members' feelings of attachment, identification and loyalty to the organisation as an object.

Based on the various approaches discussed in this section, it is evident that organisational commitment is a multidimensional construct. Hence Meyer and Allen (1997, p 1) proposed the three component model, characterised by the following dimensions, to measure the construct *organisational commitment*:

- Affective commitment, which refers to the positive feelings of identification with, attachment to and involvement in the work organization;
- Continuance commitment, which refers to the extent to which employees feel committed to their organisation by virtue of the costs that they feel are associated with leaving; and
- Normative commitment, which refers to the employee's feelings of obligation to remain with the organisation.

Common to these three dimensions of organisational commitment is the view that it is a psychological state that characterises organisational members' relationships with the organisation and has implications for their decision to continue or discontinue membership in the organisation (Meyer & Allen, 1997). Hence it is important to understand employees' commitment to their organisation due to its influence that that commitment has on talent management with regard to employees' intentions to stay or exit the organisation.

Role of organisational commitment in talent management

The description of organisational commitment reflected above therefore suggests that it is the degree to which an employee is willing to maintain membership due to interest and association with the organisation's goals and values. Therefore, commitment tends to influence employees' work effort and intention to stay in the organisation (Black, 1999). Werner (2007:335) also indicates that organisational commitment as a "work-related attitude seems to be closely related to performance and turnover of employees". Hence, organisational commitment is essential in retaining and managing organisational talent.

One of the various definitions of talent management is that it refers to the systematic use of human resource management activities, policies and

procedures with the intention to attract, develop, and retain employees with high levels of human capital consistent with the strategic directions of the organisation and within the context of a dynamic, highly competitive, and global environment (Tarque & Schuler 2010: 123). In relation to this definition, Collings and Mellahi (2009:304) indicate that a clear and concise definition of talent management is the description of the construct as “activities and processes that involve the systematic identification of key positions which differentially contribute to the organisation's sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organisation”. This implies that talent management involves talent attraction, development and retention in the organisation, in order to enhance organisational commitment.

Organisational commitment plays an important role in the development of the organisation's talent management strategy, because central to employee commitment is the ultimate decision to stay in or leave the organisation. Talent management is therefore a strategic initiative taken by the leadership in organisation to keep employees from leaving the organisation, such as rewarding employees for performing their jobs effectively; ensuring harmonious working relations between employees and managers; and maintaining a safe, healthy work environment (Cascio, 2003).

3. Research method

Research approach

A quantitative approach was adopted in this study in order to achieve the research objectives of the empirical study (Welman, Kruger & Mitchell, 2009), using survey as a method of data collection.

Research question and hypothesis

It is against the literature background above that the main question for this study was as follows:

What is the nature of organisational commitment of manufacturing employees for leaders to be able to manage talent?

This research question was addressed using the following hypothesis:

H1: There are significant mean score differences between the affective and continuance commitment dimensions

H2: There are significant mean score differences between the normative and affective commitment dimensions.

H3: There are significant mean score differences between the continuance and normative commitment dimensions.

Participants and sampling process

The population of this study consisted of 3 657 employees, being the total number of permanent employees in the South African manufacturing organisation surveyed. For the purposes of this study, a random sample was drawn to ensure that all members of the population would have an equal chance to participate in the research study (Babbie & Mouton, 2009). The systematic sampling technique was used (Christensen, 2001); and a sample size of 400 employees was drawn. The participants who completed their questionnaires fully during the group administration process were taken as the sample. As a result, a sample size of 371 was obtained, which represents 10, 1 % of the total workforce population, which is an adequate representation of the population (Baker, 1994). The majority of the participants who completed the questionnaire were between 25 and 44 years of age (47.0%), and most were males (53.7%) and African (43.1%). The sample included all 11 official language groups, but the majority of participants were Afrikaans (37.1%) and English (19.3%) speaking. In terms of their educational level, most of the participants had a matric qualification (42.0%) while 44.6% had either a diploma or a degree. Most participants had between 10 and 20 years' of service (36.9%). It is important to note that the majority (73.3%) of participants were operational staff, while only 5.4% were in senior management and 21.3% in middle managerial positions.

Measuring instrument and procedure

The Organizational Commitment Scale (OCS) was used to measure organisational commitment as a tri-dimensional construct. The OCS was developed by Meyer and Allen (1997). It is intended to measure three components of organisational commitment, namely affective, continuance and normative commitment. The OCS is a questionnaire which consists of 24 structured statements or items, measuring affective, continuance and normative dimensions of organisational commitment (Meyer & Allen, 1997). A five-point Likert-type scale was used to allow respondents to rate their responses to the questionnaire. The ratings are defined as follows: (1) strongly disagree; (2) disagree; (3) neither disagree nor agree; (4) agree; and (5) strongly agree.

The OCS instrument is self-explanatory and is completed individually by participants. Participants completed questionnaires anonymously during group administration and the questionnaires were collected immediately thereafter by the researcher. A covering letter was attached to the questionnaire, explaining the aim of the study, reassuring participants of the

confidentiality of responses, and giving instructions for completing the questionnaire. A questionnaire on biographical information was also included, containing questions on the variables of age, gender, department, and years of service, job level, highest qualification, and race and job grade.

Statistical analysis

The Statistical Package for Social Sciences (SPSS, version 17) was chosen to analyse the data. Descriptive statistics used in this study are the frequencies, percentages, means, standard deviation and Cronbach’s alpha coefficient. T- tests, as the relevant inferential statistics, were conducted to test the research hypotheses.

4. Results

The following discussion presents the descriptive and inferential statistics of the construct of organisational commitment.

Descriptive Statistics

The Cronbach’s alpha results of the OCS dimensions are depicted in table 1. All the dimensions of organisational commitment obtained scores above 0.70 in this study, which suggests that the questionnaire is a reliable measure.

Table 1. Reliability of the Organisational Commitment Scale

Scale Dimensions	Cronbach’s Alpha (<i>r</i>)	Items
Affective Commitment (AC)	0.83	8
Continuance Commitment (CC)	0.77	8
Normative Commitment (NC)	0.79	8
Average	0.79	24

The overall reliability of the questionnaire is 0.79. There is evidence of construct validity – that is the ability of the questionnaire to vary concurrently with other measures which, on theoretical grounds, should reflect the same underlying attitudes and values. Meyer and Allen (1997, p 120) also found the internal consistencies of the OCS dimensions “varying between 0.85 for affective, 0.79 for continuance and 0.73 for normative”. Studies on the reliability of this questionnaire also indicate that it is a reliable measuring instrument for assessing

organisational commitment (Meyer & Allen, 1997; Lumley, 2009).

Inferential statistics

The T-test was applied to determine whether there are significant differences between organisational commitment dimensions. Table 2 shows the significant differences, while table 3 depicts the mean score.

Table 2. T-test results

	Affective Commitment	Continuance Commitment	Normative Commitment
Mean	2.89	3.65	4.84
Variance	2.1609	6.5025	2.4964
Observations	371	371	371
Hypothesised Mean Difference	Affective vs Continuance	Normative vs Affective	Continuance vs Normative
Standard error	0.152811919	0.112041819	0.155742721
df	-0.76	-1.95	-1.19
t Stat	-4.973434054	-17.40421578	-7.640806532
	t stat < - 1.96	t stat < - 1.96	t stat < - 1.96
	Results significant	Results significant	Results significant

Table 3. Means and standard deviations

Organisational Commitment Dimensions	N	Range	Mean	Standard Deviation	Skewness
Affective Commitment	371	6	2.89	1.47	.213
Continuance Commitment	371	6	3.65	2.55	.225
Normative Commitment	371	6	4.84	1.58	-.881
Overall mean score			4.0		

The Hypothesis 1 proposition is that there are significant mean score differences between the affective and continuance commitment dimensions. The results show significant differences between affective and continuance commitment dimensions, with participants perceiving their commitment to be more continuance (Mn= 3.65) than affective (Mn= 2.89) in nature. These results support hypothesis 1.

The hypothesis 2 assumption is that there are significant mean score differences between the normative and affective commitment dimensions. Participants perceived their commitment to the organisation to be mostly normative (Mn= 4.84) rather than affective (Mn= 2.89). The results support hypothesis 2 that there are significant differences.

The hypothesis 3 proposition is that there are significant mean score differences between the continuance and normative commitment dimensions. The results show significant differences, with participants perceiving their commitment to be normative (Mn= 4.84) than continuance (Mn= 3.65). These results also support hypothesis 3.

5. Discussion, organisational and managerial significance of the findings

The above result indicates that the employees in this organisation are high in normative and continuance commitment to the organization. High normative commitment in this study confirms findings reported in the literature that employees have a sense of obligation towards their organisation because their values are met or the favours made by the organisation (Coetzee, Schreuder & Tladinayne 2007; Spector 2008; Lumley 2009). In terms of continuance commitment, this result implies that the commitment of employees in this organisation is based on the costs these employees associate with leaving the organisation. Studies conducted by Lumley (2009) and Naicker (2008) highlight the fact that continuance commitment is due to the current economic instability characterised by unemployment and retrenchment. This implies that employees take into consideration the limited opportunities of alternative employment in the labour market when making their decision to stay or leave their organisation. Hence, employees stay with the organisation because they need to and because there are limited employment opportunities

outside of the organisation. The results also reveal that the employees who participated in this study articulated a negative perception with regard to affective dimension of organisational commitment. The low result on affective commitment in this organisation is a concern as it indicates that these employees have a low emotional attachment towards the organisation. This implies that the employees do not have a sense of ownership towards the organisation (Meyer & Allen, 1997). Lack of affective commitment could be a threat to this organisation with regard to talent management. Firstly, the organisation may struggle to attract talent due to the negative perceptions regarding affective commitment that may be conveyed to potential employees. Secondly, the organisation may find it difficult to retain and develop talent because employees are inclined to leave the organisation when they get better opportunities outside the organisation.

It is essential that leaders, managers and human resource management practitioners take into consideration the differences between organisational commitment dimensions, in order to initiate talent management interventions. Gaining insight into and understanding of the nature of employee commitment can guide organisations in implementing the ideal policies and programmes for its employees. The results of this study add to existing organisational psychology literature on organisational commitment development and change in order to enhance talent attraction, development and retention for high organisational performance and competitive advantage. It provides valuable information that can be used to propose human resource management policies, practices and procedures vital for talent management in this time of global competition and talent war.

Conclusion

In conclusion, the objective of this study which was to conduct an audit of organisational commitment for leaders to manage organisational talent was accomplished. The hypotheses of this study were also confirmed, namely that there are significant differences in three dimensions of organisational commitment (affective, normative and continuance) within the sample of employees studied.

The first limitation of the empirical study is the sample size or population group. All the respondents were from one organisation, a fact that could have influenced their perceptions due to the practices of the organisation and to other factors. Secondly, the restriction of the empirical study to one organisation makes it difficult to verify results and interpretations with similar studies in other organisations. This implies that generalisations of these findings to other population groups will require further research. Thirdly, the questionnaire was based on the perceptions of the participants, a practice which increases the chances of subjectivity when completing the questionnaire. Lastly, the questionnaire used in the empirical study was a cross-sectional design, which entails obtaining the results at a single point in time. A longitudinal study, conducted over time, would be of value in determining the effect of changes on employees' perceptions regarding their organisational commitment.

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