

**CAUSAL RELATIONSHIP AMONG THREE COMPONENTS WITH  
ORGANISATION COMMITMENT- AN EMPIRICAL ANALYSIS  
ON INSURANCE PROFESSIONAL IN INDIA**

**LoknathSen**\*

**Arya Kumar**\*\*

---

**Abstract**

---

**Keywords:**

Organisational  
Commitment;  
work life policies;  
job characteristics;  
career opportunities

Organisational commitment is an element that acts as hidden characteristics to any stressful environment and high rate turnover that affects every organisation worldwide. Till now less evidence was discovered regarding the factors affecting the organisational commitment for different sectors. The present study focused on identifying the organisational commitment of employees engaged in insurance sectors in India. The data is collected from the insurance professional through a questionnaire. The questionnaire is divided into four different themes that describe organisational commitment, work-life policies, job characteristics, and career opportunities. The result from regression analysis confirms 9% relevance of variable that affects the organisational commitment out of which only work-life policies and career opportunities are found to be significantly affecting the organisational commitment

---

---

\* MBA student, DRIEMS-B School, Cuttack, India

\*\* Ph.D. Research Scholar, IBCS, Sikhsa 'O' Anusandhan, Deemed to be University, BBSR, India

## 1. Introduction

The influence of Organizational Commitment on various outcomes differs throughout the stages of the career. Retention of employees is of greater importance with the dawn of the era of the knowledge-based workforce. In the 21st-century work, the world is distinguished by unparalleled heights of talent mobilization, leading employees to look out satisfying their personal and work-related aspirations which in turn is an increasing concern for organizations towards employees' commitment towards their organization and retention of essential talent in the organization. Organizations are constantly making efforts to retain the essential talents, i.e., the employees which the organizations collectively agree to be one of their most important assets; thus the organizations always try to make an effort towards creating an employment brand that would have the potential to attract the current employees and potential employees Glen (2006). It meant that the researchers had to give more emphasis on reanalyzing the different components affecting the organizational commitment of the insurance professionals.

Organizational commitment is affected by the emotional reactions arising from both organizational and personal factors relating to job satisfaction which could be attained by the essential determinants, which are discussed in this study. The concept of organizational commitment has drawn the attention of many researchers to conceptualize the potency and stoutness of dedication of a worker for his organization Lumley (2010). Organizational commitment is considered to an attitude which arises from the mindsets of the employees about their company Allen & Meyer (1990). According to Gbadamosi (2003), the favourableness of the attitude of an individual is directly proportionate to the same individual's acceptance of the organization's goals and their intention to give more effort for their organization. If there is proper organizational commitment within the employees then there is a steady chance of decrease in turnovers and attrition; committed employees tend to be more participating in "extra-role" activities and are very creative & innovative which leads to the increase of competence of their organization in comparison to its market competitors Katz & Kahn (1978). Strong cognitive linkage between an employee and his organization relating to identifying himself with his organization and giving efforts towards the achievement of organizational goals could be stated as Organisational Commitment Meyer & Allen (1997). A conflict arising due to an imbalance of

work life and personal life not only affects a person's physical and mental health but also adversely affects his workplace behavior and even in his family life behavior Robbins (2004).

## **Literature Review**

Relevant literature in context to organizational commitment shows different variables affecting organizational commitment. A few of the same have been discussed below.

Career could be identified as the overall work and personal life roles executed by the person throughout his life which includes both paid and unpaid work. People make career patterns in the same way in which they had made their education, work, families and other social life roles decisions Post, Borgen, Amundson, & Washburn (2002). Many researchers have stated that with change in time the role of employees and employers have been altered with allusion to career, for instance, according to Ball (1997) employers are taking lesser responsibility about their employees' career, it necessarily becomes the sole responsibility of the employees to tend to his own development so as to enhance and perpetuate his own skills and talents which in turn will assist his credibility and employability. Puaah&Ananthram (2006) stated that "Career development directly influences the achievement of commitment towards career and satisfaction derived from the job. Focusing on the organization's advantages, Hartzenberg (2002) states, "Organizations expect that their employees should assume substantial responsibility for the greater triumph of their own organization well as future wellbeing of their own. According to Johns (2005), employees who are more competent would make more effort towards their work. The policies of the organization have a greater impact on facilitating career opportunities. An assumption could be safely made that the organization would be benefitted by enhancing commitment across all juncture of career.

According to Shelton (2001), "Organizations would not be able to develop corporate universities and offer extensive opportunities for internal promotion; they, however, could assist individuals to inculcate career goals and action plans that would evolve throughout their careers". The career opportunities create a major impact on employees' commitment towards their company. Autonomy, measurability of output and career advancement could be associated with an organizational commitment which would indicate the generation of the flexibility of job as well

as job ladders would be able to maximize commitment and thus minimizing absenteeism and turnover Johns (2005). It could be deduced that career opportunities could be distinguished as a determinant of organizational commitment.

Work life-friendly policies are essential in the reduction of pessimistic influence on the work-life conflict which has been discussed by Greenhaus and Beutell (1985) as discordance between work and family responsibilities. In the past, some researchers have attempted to accentuate the relevance of work-life policies. Family-friendly policies should be able to oblige the distinct 'family' conditions of every worker Lilley, (2004). In case of developing and developed countries, there is a significant amount of increase in proportions of dual-earner families, the involvement of more numbers of the female labor force and the increasing figures of aged dependents indicates that an increasing proportion of employees have responsibilities of their families Hall & Liddicoat (2005). The proposition of flexible work timing and working conditions are being supported by many researchers. Organizations are needed to facilitate these employees with exclusive access to childcare centers, telecommuting, employee assistance programs and referral programs Dockett. al. (2003). If the employees believe that the methods undertaken to plan and implement organizational decisions are reasonable then their level of organizational commitment would be relatively high, regardless of them experiencing work-life conflict Siegel et al (2005). Employees indulging in extra work hours could be considered as a result of employees' commitment according to Lee & Hui (1999), "work interference with family may be an indicator of how much devotion one has for work."

One of the major sources of work-life conflicts could be organizational policies as believed by some researchers, for instance, according to Meyer, Stanley, Herscovitch & Topolnytsky (2002) it could be probable to have a feeling of being "trapped" in an organization could potentially be both source of conflicts in the employees' house and stressful for them as well. Lilley (2004) stated that an organization having 'face time' encouraging culture could focus on employees being on site but not necessarily motivates them to perform better. By means of the use of reduced or compressed hours or taking of leaves chances of penalizing employees' absence from their workplace could be executed. Rewarding 'hard work' which used to be determined by the time duration an employee spent at his workplace was discarded for recognition of performance

outcomes. It necessitates a demand for employers to give less emphasis on 'face-time' and more emphasis on the output of their work. It can hence be deduced that the employee's performance in the organizations and their organizational commitment is being affected by the organization's policies. Many researchers advocate for flexible working hours, for instance, Roehling, Roehling & Moen (2001) stated that "flexible-time benefits are associated with increased loyalty for men and women at all life stages.

Job characteristics could be defined comprehensively by Hackman & Oldham (1976), stated that employees' motivation could be enhanced if the job has five core characteristics, i.e., task significance, task identity, skill variety, feedback, and autonomy. Many attempts were made by researchers to investigate the relationship between different variables of organizational commitment and job characteristics. In order to increase job satisfaction among employees, the gap between the importance and likelihood values for job characteristics is needed to be reduced by the managers which necessitate the accession of skills Linz (2003). The different dimensions of job characteristics are of great importance in Human Resource Management. All the variables of job characteristics are of great significance in association with organizational commitment and job satisfaction Allen, Lambert, Pasupuleti, Tolar & Ventura (2004). The indisputable relationship of autonomy to all three measures of organizational commitment was established by Johns (2005). There remains a significant relationship between organizational commitment and all the retention factors except age, organizational tenure and job characteristics Dockett et al., (2003).

The above literature has propounded different factors that influence an employee's organizational commitment. The stated observation motivated the researchers with a research question i.e. **Can organizational commitment of an employee be affected due to a career opportunity, job characteristics, and work-life policies?** The paper confirms the existence of factors by considering organizational commitment as a dependable factor while the other three components as independent factors. The main objective is to identify the relationship and the dependencies of the factor that could help the HR professionals to retain the workers and motivate for high productivity.

## 2. Research Method

The objective of the research is carried on by collecting primary data through a questionnaire survey. The responses include insurance professionals both from the public and private sectors in the state of Odisha, India. The questionnaire was distributed among 238 full-time employees out of which 196 responses were received most of them were junior brokers, senior agents, and marketing representatives.

The questionnaire used by Dockelet. al. (2003) to identify the organisational commitment in South Africa. Table-1 shows the consistency and reliability evaluated by Dockelet. al. (2003). However, the questionnaire was designed with minor changes due to geographical constraints. The modifications made are like the occupation, language, qualifications as per the Indian scenario. While question relating to organisational commitment, work-life policies, career opportunity, and job characteristics were not modified.

The questions carry five-point Likert scales (endpoints: 1=Strongly Disagree to 5= Strongly Agree). Along with the questionnaire a letter is submitted to the branch head containing the objective of research and confidential of the response.

**Table 1: Scale Consistency & Reliability (Dockel et. al., 2003)**

Scale	Organizational Commitment			Career opportunities	Work Life Policies	Job Characteristics
	Affective Commitment	Continuance Commitment	Normative Commitment			
<b>Cronbach Alpha</b>	0.788	0.613	0.768	0.768	0.879	0.413
<b>Eigenvalue *</b>	4.822	1.386	2.015	2.735	2.197	1.350

The above responses show the major contributor is male i.e. 72%. But in comparison to past decades, the involvement of women in the insurance sector is increasing. In the study, most of

the respondents are found to be from the young group. As most of the young masses are the respondents it is found that almost 92% are having a graduate degree. The marital status and children play a key role in identifying the demographic issues. It is also found that the imbalance in the married life and work affects the response of participants. The respondent's shows that around 61% are married and their response gives a clear picture of the issues related to work-life conflicts. However, it can be identified from the sample that the respondents are widely distributed in terms of demographic indicators like age, gender, qualification, the marital status which make it a balanced result.

### 3. Results and Analysis

The results regarding the relationship between the dependent variable i.e. organisational commitment with independent variables i.e. are interpreted Career opportunities, Work-Life Policies and Job Characteristics are measured through statistical tools i.e. correlation matrix and regression analysis. The results are as follows.

#### A test of correlation between independent variable and dependent variable

As per the objective of research the analysis will incorporate the statistical tool i.e. correlation matrix to identify the existence of a relationship between organisational commitment and other variables i.e. work-life policies, job characteristics, and career opportunities.

**Table-2 Matrix showing the correlation between the variables**

	Mean	SD	OC	CO	WLP	JC	Age	Tenure
OC	3.12	0.40	1					
CO	3.17	0.49	0.26**	1				
WLP	3.06	0.77	0.22**	0.11	1			
JC	3.20	0.47	0.18	0.15	0.14	1		
Age	27.89	4.65	0.031	-0.021	0.0001	-0.178	1	
Tenure	4.68	3.9	0.008	0.003	-0.079	-0.192	0.946	1

**Note:** SD- Standard Deviation, OC- Organisational commitment, CO- Career Opportunities, WLP- Work life policies, JC- Job characteristics

\*\*  $p \leq 0.01$ , n= 196

From the above table-2, we get a clear picture that Career opportunities and Work-life policies are correlated with the organisational commitment as the value is 0.26 and 0.22 respectively at 1% level of significance. However, Job characteristics are found no relationship with the Organisational commitment and further analysis shows a weak form of relationship between Age and tenure. A similar result is opined by Dockett. al. (2003) that there exist a significant relationship between Career opportunities and Work-life policies with the organisational commitment and there lies no significant relationship between Job characteristics. This output is partially supported by Allen et al (2004). But the output is completely different from the analysis of Steers (1977).

### **Measurement of degree of relationship between the dependent variable and independent variables**

As the variables show the existence of correlation so a test of relative strength between the variables is measured through regression analysis the result is shown below table-3.

**Table-3, Measurement of relative strength between the variables**

<b>Independent variable</b>	<b>Constant</b>	<b>Career Opportunities</b>	<b>Work Life Policies</b>	<b>Job Characteristics</b>
Beta	2.122	0.158	0.136	0.079
t-Value	7.798	2.367	2.986	1.289
p-Value	0.000	0.0236	0.004	0.209

Note: Dependent variable- Organisational Commitment, n- 196, R square- 0.126, Adjusted R Square- 0.096, F-0.654, Significance F- .0006

From above table-3 the result of regression analysis confirms the dependent variable has 9% dependencies on the independent variable. Among the independent variables only Career opportunities and work-life policies are affecting significantly to the organisational commitment however, no evidence is found on the effect due to job characteristics.



#### **4. Conclusion**

The growth of an organisation is dependent on the effectiveness and efficiency of an employee. But the effectiveness and efficiency of an employee tend to vary from organisation to organisation. A service industry like IT, insurance, hospital, tourism and etc. is completely dependent on the workers and their performances to achieve the targets. So it is always required to provide them maximum satisfaction so that the workers will be highly committed towards their work and try to achieve their personal and organisational goal. The present study was conducted to identify various factors that lead to employee's organisational commitment to an empirical analysis was conducted with few determinants like Job characteristics, Career opportunities, and work-life policies with organisational commitment. It is observed from various organisations that pay maximum effort on the Job role, activities, targets and characteristics that will enhance the worker's confidence towards the organisation. But the fact is not always true in all the cases. The empirical analysis of the present study shows that career opportunities like promotion tenure, a delegation of responsibilities and etc. plays a key role for work commitment along with the organisational policies which are an important element for the workers' involvement within the organisation. So the employer should design the work policies and career growth in a realistic manner that will encourage the workers especially for the service industry that will retain the workers in the long run.

#### **Implication and limitation**

There have been several issues identified in the insurance sectors towards the employee satisfaction and organisational commitment to this study can help the firms to focus on key areas that will cheer the employees to sustain within the organisation. Some of the area the organisation should focus on is like providing friendly work-life policies so that the employees can share and take some expert advice to deal with organisational and family issues. In India organisation provide promotions or financial raise as per the time diverted within the organisation and achievement of the targets. In such a case the organisation can provide flexible work arrangements so that they will be less focus on the promotion or distribution of rewards.

The overall study is helpful in discovering the factors that can support for retaining the employees in insurance sectors. However, the study has certain limitations like the analysis is

geographical constraints and the area of research was on a particular sector i.e. insurance. Adding to it the variable shows 9% of dependencies on organisational commitment. So a further analysis can be done on this area considering different geographical area, sectors and different variables to make it a widely accepted principle.

## References

- 1) Allen, N. & Meyer, J. 1990. 'The measurement and antecedents of affective, continuance and normative commitment to the organization', *Journal of Occupational Psychology*, 63: 1–18.
- 2) Allen, R.I., Lambert, E.G., Pasupuleti, S., Tolar, T.C. & Ventura, L.A. (2004). The impact of job characteristics on social and human service workers. *Social work and society*, 2(2), 173-188.
- 3) Ball, B. (1997). Career management competences – the individual perspective. *Career Development International*, 2(2), 74-79.
- 4) Dockel, A., Basson, J. S., & Coetzee, M. (2006). The effect of retention factors on organisational commitment: An investigation of high technology employees. *SA Journal of Human Resource Management*, 4(2), 20-28.
- 5) Gbadamosi, G. 2003. 'HRM and the commitment rhetoric: Challenges for Africa', *Management Decision*, 41(3): 274–280.
- 6) Glen, C. 2006. 'Key skills retention and motivation: The war for talent still rages and retention is the high ground', *Industrial and Commercial Training*, 38(1): 37–45.
- 7) Greenhaus, J.H., & Beutell, N.J. (1985). Sources of conflict between work and family Roles. *Academy of Management Review*, 10, 76-88.
- 8) Hackman, J. R., & Oldham, G. R. (1976). Motivation through the design of work: Test of a theory. *Organizational Behavior and Human Performance*, 16, 250-279.
- 9) Hall, L., & Liddicoat, L. (2005). Challenges to developing effective family friendly work practices: findings from New Zealand. *Research and Practice in Human Resource Management*, 13(1), 1-17.
- 10) Hartzenberg, J. S. (2002). *The implementation of career management practices in the South African public service* (Doctoral dissertation, University of Pretoria).
- 11) Johns, R. (2005). Determinants of organizational commitment among U.S. workers. Unpublished master's thesis, Duquesne University.

- 12) Katz, D., & Kahn, R. L. (1978). *The social psychology of organizations* (Vol. 2, p. 528). New York: Wiley.
- 13) Lee, C., & Hui, C. (1999). Antecedents and outcomes of work-family interface. *Research and Practice in Human Resource Management*, 7(1), 35-51.
- 14) Lilley, S. (2004). Whose role is it anyway? Implementing family-friendly workplace practices in New Zealand. University of Canterbury, Social Science Research Centre research project.
- 15) Linz, S. J. (2003). Job satisfaction among Russian workers. *International journal of manpower*, 24(6), 626-652.
- 16) Lumley, E. J. (2008). *Exploring the relationship between career anchors, job satisfaction and organisational commitment* (Doctoral dissertation).
- 17) Meyer, J. & Allen, N. 1997. *Commitment in the Workplace: Theory, Research and Application*. London: Sage.
- 18) Meyer, J.P., Stanley, D., Hescovitch, L., & Toplnytsky, L. (2002). Affective, continuance and normative commitment to the organization: A meta-analysis of antecedents, correlates and consequences. *Journal of Vocational Behavior*, 61, 20-52.
- 19) Post, A., Borgen. W., Amundson, N., & Washburn. C.A (2002) Practical manual for developing, implementing and assessing career counselling services in higher education settings. Paris: UNESCO (Need a document number here for retrieval purposes),
- 20) Pua, P. & Ananthram, S. (2006). Exploring the antecedents and outcomes of career development initiatives: Empirical evidence from Singaporean employees. *Research and Practice in Human Resource Management*, 14, 112-142.
- 21) Robbins, A. (2004). Work family conflict. Unpublished senior honors thesis.
- 22) Roehling, P.V., Roehling, M.V., & Moen, P. (2001). The relationship between work-life policies and practices and employee loyalty: A life course perspective. *Journal of Family and Economic Issues*, 22, 141-170.
- 23) Shelton, K. (2001). The effects of employee development programs on job satisfaction and employee retention. Unpublished master's thesis, University of Wisconsin- Stout.
- 24) Siegel, P. A., Post, C., Brockner, J., Fishman, A. Y., & Garden, C. (2005). The moderating influence of procedural fairness on the relationship between work-life conflict and organizational commitment. *Journal of Applied Psychology*, 90(1), 13.