ORGANIZATIONAL COMMITMENT AND THE NEW WORKFORCE: A REVIEW OF ANTECEDENTS, OUTCOMES AND RELEVANCE

ZAKARIA ISMAIL
Kulliyyah of Economics and Management Sciences
International Islamic University Malaysia

ABSTRACT

Organizational commitment is an important organizational concept in the study of employee work behavior, especially withdrawal behavior. It was the focus of employee behavioral study for about four decades until in the late 1990s when people began to question the usefulness or the relevancy of the construct especially among the new workforce. This article reviews the concept of organizational commitment, and the development of multiple-dimensional constructs. This article also reviews its antecedents and outcomes. There is a long list of possible antecedents, but these can be categorized into organizational variables (e.g., organizational support, organizational dependability, leadership), job related variables (e.g., job characteristics, empowerment, role conflict and ambiguity), and individual variables (e.g., age, gender, educational levels). The outcome variables which are consistently related to organizational commitment are turnover intention and absenteeism, and to a certain extent, work performance. The issue of the relevance of commitment was also reviewed, and this paper concludes that it is too early to write off organizational commitment, as recent empirical evidence indicated that organizational commitment is still a useful concept in the study of professionals, and the new workforce. This article suggests that future research in organizational commitment needs to focus especially on organizations undergoing downsizing, mergers and acquisitions, and among the new workforce such as Generation-X employees, knowledge workers, and telecommuters.

Keywords: Organizational commitment, antecedents and outcomes, Generation-X employees, professionals, knowledge workers, and telecommuters.

ABSTRAK

Komitmen organisasi merupakan satu konsep yang penting dalam kajian tingkah laku pekerja, terutama sekali tingkah laku pengunduran. Konsep ini
Organizational commitment has been found to be a useful concept in the study of employee attitudes and behaviors in the fields of management, organizational behavior and human resources. This is because organizational commitment was found to significantly affect employee withdrawal behaviors like turnover and absenteeism from work. A highly committed worker will not think of leaving the organization, but will remain and contribute to the attainment of the organization's objectives.

Employee withdrawal behavior problem will not only be disruptive to organizational processes but also bad for work productivity (Mirvis & Lawler, 1977; Dalton & Todor, 1982). In fact, employee turnover is costly to the organization because of the costs to find replacements and to train them, and the costs due to work and process stoppages.
According to Sunoo (1998), it costs between US$10,000 to US$30,000 to recruit a replacement worker in small and medium sized firms.

From the mid-1990s however, some people began to question the relevance of concepts like organizational commitment and organizational loyalty, especially among the new workforce or what is popularly known as the “New Organization Man,” Generation-X, or “Gold Collar” workers. Compared to “Organization Man”, the “New Organization Men” of the new millennium have different work values and orientations towards relationships with their organizations. Cole (1997) in the article entitled “Is organizational loyalty dead?”, for example, even suggests that organizational loyalty, the outgrowth of a booming post-war economy, is dead and finally been “laid to rest”.

In the same vein, Costello (2000) presented a report which showed that employees from the health services industry had higher levels of commitment towards their profession, work teams and patients, rather than towards their organization. The following response illustrated what Costello (2000) had stated earlier.

- I would recommend my company as one of the best places to work in my community (36% agreed).
- I intend to stay with my company for the next several years (51% agreed).
- I would stay with my company even if offered a similar job with slightly higher pay (32% agreed).

Zangaro (2001) also voiced out similar concerns about the lower levels of organizational commitment among the Generation-X (Gen-X) employees of the nursing profession. Because organizational commitment is important for the quality of services in the health care industry, Costello (2000) suggested that employers should develop the relationship with the Gen-X workers in a different way in order to enhance their organizational commitment.

Similarly Laabs (1992) stated that while the new workforce or the “New Individualists” were perceived to have low commitments to their organizations, they were also observed to exhibit some attitudinal and behavioral paradoxes which, if properly managed and exploited, could give positive impacts to the organization. For examples:

Paradox (1): The New Individualists are people with knowledge, skill, and are very committed to their work. In fact they are the kind of people wanted by employers for the long-term health of companies.
But the problem is that these people do not believe in the “long run”. So according to Laabs (1992, p.3), “your best hope as a company for the long run is with people who don’t believe in the long run…”

Paradox (2): “The more these people are provided with skills and challenges that prepare them to leave—to go out and make a jump to another career or company, the more likely they are to stay” (Laabs, 1992, p. 3).

It is apparent from the above discussion that the Organization Man and the New Individualists, or the Gold Collar Employees, differ quite significantly in the focus of their commitment. While Organization Man values loyalty and commitment to the organization, and therefore prefers long term employment with the organization, New Individualists, or Gold Collar workers tend to show more commitment towards their job and profession, and therefore do not value long term relationship with organizations. If that is the case, does this also mean that New Individualists, while in the employment of the organization, will not show any loyalty or commitment to their employers?

This paper intends first to review the development of the concept of organizational commitment, and then its antecedents and outcomes, before finally discussing the issues of the relevance of organizational commitment which have been raised earlier.

Concept of Organizational Commitment

Organizational commitment has been conceptualized from various perspectives. At the beginning, organizational commitment has been studied from the output of rewards/contribution exchange processes between employers and employees (Morris & Sherman, 1981). The more benefits gained by employees from this exchange process, the more committed they were to the organization. This approach assumes that employees give their commitment to the organization based purely on the value of the utilities which they receive or the cost which they have to bear (the sunk cost) if they leave that organization. The sunk cost is the personal investment which employees have contributed to the organization in terms of services, service benefits and seniority-based wages. These personal investments are not recoverable once employees leave the organization. Hence the commitment shown by employees, because of these reasons, is just the commitment to continue remaining with the organization, and therefore do not reflect other personal or behavioral aspects such as work productivity or work attendances (Morris & Sherman, 1981). Because the manifestation of the commitment shown by employees is the behavior of either remaining with the organization or leaving, this approach is also known as
the behavioral approach (Zangaro, 2001). Other researchers who contributed to the development of the behavioral approach were Becker (1960) and Salancik (1977).

The psychological approach on the other hand, looks at organizational commitment from the view of the attachment or identification of employees with the organization at which they work. As explained by Sheldon (1971), commitment is the relative strength of identification and involvement of an employee to an organization. Commitment indicates a more positive and proactive attitude toward an organization, inclusive but much more than the intention-to-stay component, which is the basic foundation of the exchange based approach to organizational commitment (Zakaria Ismail, 1990).

From Porter, Steers, Mowday and Boulian (1974) definition, organizational commitment thus consists of three components:

a. A strong belief in and acceptance of the organization's goal and values.
b. A willingness to exert considerable effort on behalf of the organization.
c. A strong desire to remain in the organization.

An employee who is committed to the organization will exhibit all three attributes at a high level, while the less committed employee will only exhibit some of the attributes, or all three but at lower levels. As an attitudinal concept, organizational commitment differs from job satisfaction on some important aspects. First, commitment is a more general and global concept, and as an affective response to the organization as a whole. On the other hand, job satisfaction is an individual's response to the job or some aspects of the job (Mowday, Steers & Porter, 1979). Second, as an attitudinal variable, organizational commitment is more stable over time than job satisfaction. As an affective response to the job and certain aspects of the job, job satisfaction can easily change, and is influenced by temporary changes in the work environment, such as changes in pay, supervision, co-workers etc. Contrarily, organizational commitment is not easily influenced by temporary changes, and requires a longer time to change.

Organizational commitment should also be differentiated from work commitment. Although conceptually similar to organizational commitment, work commitment as an attitudinal response, however, is more specific towards the selected job. As explained by Williams and Hazer (1986, p.219), work commitment is the:
"extent to which an employee perceives that he or she is connected to a job and involves feelings of psychological attachment, independent of affect."

Multidimensional Nature of the Organizational Commitment Construct

Although Porter et al. (1974) defined organizational commitment as consisting of three attitudinal components such as loyalty to the organization, willingness to exert effort on behalf of the organization, and desire to maintain membership with an organization, it is however, a unidimensional construct, which is an affective attachment to an organization (Mowday, 1998). The instrument to measure organizational commitment consists of a 15-item questionnaire (OCQ- the Organizational Commitment Questionnaire) which uses a single score to measure the level of overall commitment towards the organization. OCQ is widely used by organizational researchers because of its high internal reliability scores. Mathieu and Zajac (1990) reported an average alpha value of 0.88 for 15-item OCQs and 0.86 for 9-item OCQs.

Recent studies in industrial/organizational psychology and organizational behavior areas, however, have identified the existence of multiple dimensions of organizational commitment and demonstrated that these dimensions have different relationships with important consequences, such as job satisfaction and turnover intentions (Iverson & Buttlage, 1999; Ketchand & Strawser, 2001). The multidimensional approach is the most recent attempt to re-conceptualize the organizational commitment construct. It assumes that organizational commitment does not develop simply through emotional attachment, perceived costs or moral obligations, but through the interplay of all these three components. Meyer and Allen (1984) introduced the concept of continuance commitment based on Becker’s (1960) side-bet theory, alongside the concept of affective commitment that has dominated commitment studies in the seventies and eighties. Allen and Meyer (1990) again expanded the set of organizational commitment dimensions developed in 1984 to include normative commitment as a third dimension. These researchers suggested that the net sum of a person’s commitment to the organization, therefore, reflects each of these psychological states (affective attachment, perceived costs and obligation) (Allen & Meyer, 1990). Since then the multidimensional approach has been gaining continuous support – suggesting that it could improve the disappointing and inconsistent results, often obtained from commitment studies based on unidimensional constructs.
Allen and Meyer (1990) defined affective commitment as an employee’s emotional attachment to, identification with, and involvement in the organization; continuance commitment, sometimes termed calculative commitment (Mathieu & Zajac, 1990), as commitment based on costs that the employees associated with leaving the organization; and normative commitment as an employee’s feelings of obligation to remain with the organization. In contrast to affective and continuance commitment, normative commitment focuses on the right or moral thing to do, and the employee’s obligation and/or moral attachment to the organization. The obligation and/or moral attachment evolved from the employee’s socialization with the organization’s goals and values (Allen & Meyer, 1990).

Meyer and Allen (1984) developed separate instruments to measure each of the commitment dimensions. For example, the affective commitment scale (ACS), consisting of 8 items, was developed to measure affective commitment. The continuance commitment scale (CCS) was developed to measure employee continuance commitment level, while normative commitment could be measured using the Normative Commitment scale (NCS). In subsequent research, ACS was found to have strong relationships with the OCQ, (r- values of between 0.77 and 0.84) (Meyer & Allen, 1984; Dunham, Grube & Castaneda, 1994). These results indicated that the OCQ, which was developed by Porter et al. (1974), was similar to the affective commitment scale developed by Meyer and Allen (1984).

CCS, an 8-item scale, was not correlated with ACS, but was highly correlated with individual variables like age and length of service, which were in turn theoretically related with organizational commitment (Meyer & Allen, 1984; Iverson & Buttiweg, 1999). These research findings support the notion that CCS is a separate and independent scale, and that continuance commitment is a separate dimension of organizational commitment. There was however, little support for the NCS hypothesized relationships as suggested by the literature, although normative commitment was found to be conceptually different from affective commitment.

There were some similarities among the concepts of the organizational commitment found in the literature. For example, the organizational commitment concept introduced by Porter et al. (1974) was found to be similar to the internalization dimension of commitment developed by O'Reilly and Chatman (1986), and the affective commitment developed by Meyer, Bobocel and Allen (1991). The re-conceptualization of
organizational commitment as consisting of three dimensions (affective, continuance and normative) has helped to strengthen our understanding of the antecedents and consequences of employee organizational commitment. For example, employees with strong affective commitment would remain because they felt they wanted to; those with strong normative commitment remained because they felt they ought to; and those with strong continuance commitment remained because they needed to (Meyer et al. 1991). These findings indicate that employees have different reasons for remaining in an organization. As a consequence of the differences in motives, these forms of commitment should have distinct organizational outcomes. That is, not all types of commitment may be beneficial to the organizations. Employees with high continuance commitment for example, may remain in the organization, not really because they want to, but because they have to. They have to stay because leaving the organization will be costly to them in terms of salaries, benefits and contributions.

**ANTECEDENTS AND CONSEQUENCES OF ORGANIZATIONAL COMMITMENT (OC)**

Theoretically, OC develops from two broad categories of factors, namely personal and situational factors. Personal factors represent the characteristics and experiences of individuals before they enter the organization. In contrast, situational (or organizational) factors originate from within the organization itself, such as elements of the work environment, and the nature of the experiences encountered by individuals during their employment with the organization.

**Personal Factors**

The literature indicates significant relationships between personal and situational factors and the OC, yet the situational factors (such as leader behavior, role ambiguity, role conflict, the degree of organization centralization, and the extent of leader communications) appear to have stronger influences (Cohen, 1993). For personal factors, positive relationships between age and tenure and (a) affective commitment, and (b) continuance commitment, respectively were reported (Dunham et al., 1994; Hackett, Bycio & Hausdorf, 1994). Age, number of dependence, job level, and career aspirations appear to positively influence the affective commitment. Additionally these studies also reported negative relationships between affective commitment and both marital status and cognitive ability, and in terms of gender, males exhibited higher levels of affective commitment than females.
Generally, however, the effects of gender on organizational commitment remained unclear (Ngo & Tsang, 1998). Other studies have reported mixed results. For example, Mowday, Porter, and Steers (1982), and Mathieu and Zajac (1990) suggested that women were more affectively committed to the organization than men, while some other studies reported that gender and effective commitment were unrelated (Aven, Parker & McEvoy, 1993). In terms of continuance commitment, Ngo and Tsang (1998) reported that no study has directly looked at the effects of gender on this particular dimension of organizational commitment.

Tenure represents investments or sunk costs in the organization. Mathieu and Zajac (1990) asserted that the length of time (tenure) an employee spent in the organization would increase his/her internalization of the organization’s norms as well as his/her psychological attachment to the organization. Tenure therefore should exhibit positive relationships with continuance commitment.

**Situational Factors**

Previous research has found that situational antecedents that reflect the employees’ comfort and competence in their roles are more highly related to affective than to continuance commitment. These include such factors as positive job characteristics (such as job autonomy and feedback) and work experiences (Ko et al., 1997; Dunham et al., 1994). In contrast, factors that “bind” employees to the organization (such as level of organization investment, irrevocability of the job choice, and difficulty of finding alternative jobs) are found to influence continuance commitment more than affective commitment (Meyer et al., 1991; Allen & Meyer, 1990). The following section discusses some selected situational factors in more detail as illustrations of their relationships with specific dimensions of OC, namely the affective, continuance and normative commitments.

**a. Job Related Variables**

Allen and Meyer (1990) argued that the most important antecedents of affective commitment are job related, of which rewards are the most important. Rewards include such aspects as autonomy, co-worker and supervisory support, job security, promotional opportunities, distributive justice, management receptiveness and public appreciation, whereas job hazards and stress are examples of costs (Iverson, 1996).
Affective commitment increases as the rewards of the job increase and costs decrease. There is however, limited research on the impact of these factors on normative and continuance commitments. Nonetheless it is expected that extrinsic job rewards and costs that are perceived to result from the organization would respectively increase and decrease a moral obligation to reciprocate to the organization. Conversely, employees may perceive intrinsic rewards and costs as derived from inherent aspects of the job, and therefore will display little relationship with normative commitment (Iverson & Buttigieg, 1999).

b. Job Opportunities

Job opportunities mean the availability of alternative jobs outside the organization. Research results indicate that job opportunities have negative effects on affective and continuance commitments (Iverson & Buttigieg, 1999). Employee commitment to the organization and perceived costs associated with leaving the organization will be low when many job alternatives exist. In terms of normative commitment, the moral obligation to remain will weaken when alternative job opportunities exist.

Perceived job alternatives also refer to workers' belief that they can find a comparable job in another organization. Theory suggests that perceived job alternatives have direct effect on OC, and a mediated effect on turnover intentions (Finegan, 2000). When employees perceive many employment opportunities, they will express lower levels of OC, and consequently higher levels of turnover intention. Research in information systems (IS) and related field has found that perceived job alternatives have a direct effect on turnover intention (Thatcher, Stepina & Boyle, 2002).

c. Professional Commitment

Some theorists have highlighted the apparent conflicts between organizational loyalty and professional commitment for professional employees such as researchers and college professors (Jauch, Glueck & Osborn, 1978). Traditional analyses of organizational loyalty and professional commitment explicitly assumed that individuals had to choose one over the other. For example, Despres and Hiltrop (1995) characterized knowledge workers as having careers external to the organization, through years of education rather than internal through
training and career schemes. Their loyalty is therefore to their professions, network and peers rather than to the organization and its career systems.

More recent investigations, however, indicate that organizational loyalty and professional commitment, essentially may be independent of each other, such that individuals may be high on organizational loyalty and professional commitment, low on both, or high on one or the other (Jauch, Glueck & Osborn, 1978). This view was supported by Wallace (1995) whose study among professionals in knowledge-based organizations indicated that there were no serious contradictions between commitment toward profession and commitment toward organization. Similarly, Swales (2000), based on response from professional employees (chemical researchers and accountant), found no conflict between commitment toward profession and commitment toward organization.

Professionals who are committed to their profession may also show high commitment to their organization. If the organization can offer work opportunities that meet the professionals' expectations and work objectives, they will remain loyal and committed to their organization (Alvesson, 2000). Herriot and Pemberton (1995, p.46) made similar observations and concluded that:

"...Professionals don't lack organizational commitment. They are as loyal as the next person, provided that the organizations honor their side of the bargain they have struck with them."

d. Job Autonomy

Research findings indicate that knowledge workers require considerable autonomy to carry out their tasks. This is in line with the arguments in the literature that knowledge workers enjoy greater power and autonomy at the workplace because their expertise is both more difficult to control and more marketable to other employers (Kubo & Saka, 2002). In addition to autonomy and discretion in their work environment, knowledge workers also expect other colleagues to treat them as colleagues rather than as subordinates, to acknowledge their independence (Kinnear & Sutherland, 2000).

The following table presents additional information about antecedents of the affective, continuance and normative commitment reviewed from the literature:
<table>
<thead>
<tr>
<th>Antecedents</th>
<th>Relationships/ Reference</th>
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<tr>
<td>Organizational Factors</td>
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<tr>
<td>Organizational dependability</td>
<td>+ AC, + CC (Dunham et al., 1994)</td>
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<tr>
<td>Participative leadership</td>
<td>+ AC, + NC, - CC (Dunham et al., 1994)</td>
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<tr>
<td>Co-worker commitment</td>
<td>+ AC, + NC (Dunham et al., 1994)</td>
</tr>
<tr>
<td>Social support</td>
<td>+ AC, + NC, - CC (Ko et al., 1997)</td>
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<tr>
<td>Work investment</td>
<td>+ CC (Meyer et al., 1991)</td>
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<tr>
<td>Difficulty in finding alternative jobs</td>
<td>+ AC, + CC (Meyer et al., 1991)</td>
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<tr>
<td>Job Factors</td>
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<tr>
<td>Job characteristics and work experience</td>
<td>+ AC, + NC (Dunham et al., 1994)</td>
</tr>
<tr>
<td>Career satisfaction</td>
<td>+ AC, + NC, - CC (Dunham et al., 1994)</td>
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<tr>
<td>Motivation</td>
<td>+ AC, + NC, - CC (Hackett et al., 1994)</td>
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<tr>
<td>Job satisfaction</td>
<td>+ AC, + NC, - CC (Hackett et al., 1994)</td>
</tr>
<tr>
<td>Job performance</td>
<td>+ AC, - CC (Hackett et al., 1994)</td>
</tr>
<tr>
<td>Promotion opportunities</td>
<td>+ AC (Iverson &amp; Buttigieg, 1999)</td>
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<tr>
<td>Job security</td>
<td>+ AC (Iverson &amp; Buttigieg, 1999)</td>
</tr>
<tr>
<td>Job routine</td>
<td>- AC, -NC (Iverson &amp; Buttigieg, 1999)</td>
</tr>
<tr>
<td>Demographic Factors</td>
<td></td>
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<tr>
<td>Age</td>
<td>+ AC, + CC, + NC (Dunham et al., 1994)</td>
</tr>
<tr>
<td>Length of service</td>
<td>+ AC, + CC, + NC (Dunham et al., 1994)</td>
</tr>
<tr>
<td>Education</td>
<td>-NC (Iverson &amp; Buttigieg, 1999)</td>
</tr>
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</table>

Note: AC: Affective commitment; CC: Continuance commitment
NC: Normative commitment
+ : Positive relationship; - : Negative relationship

In general there is quite an extensive literature on the determinants of attitudinal commitment (which is similar to affective commitment), but there is a dearth of empirical data on the antecedents of normative and continuance commitment (Iverson & Buttigieg, 1999). The general relationships that can be depicted from the above review are as follows:

i. Demographic factors such as age and length of service are positively and significantly related with affective and continuance commitments.

ii. Situational factors which are related with the workers' comfort and competency in performing their work roles tend to influence the affective commitment more strongly than the continuance commitment. These situational variables include job characteristics, positive work experience, work quality, participative leadership and co-worker commitment.
iii. Factors that bind the workers to the organization such as levels of personal investment in the organization, inability to retract the chosen job, and difficulty in finding alternative jobs are strongly related to the continuance commitment.

OUTCOMES OF ORGANIZATIONAL COMMITMENT

OC is a strong predictor of employee turnover (Thatcher, Stepina & Boyle, 2002). In a review of 16 studies which used the Organizational Commitment Questionnaire (OCQ) developed and validated by Mowday et al. (1982), Thatcher et al. (2002) found a consistently strong relationship between OC and turnover intention ($r=0.27$). Other researchers (e.g. Ketchand & Strawser, 2001) reported a larger relationship between OC and turnover intentions and actual turnover behavior ($r=0.46$ and $r=0.28$, respectively). The fact that OC correlates more strongly with turnover intentions than turnover behavior is consistent with the following 3-step model of turnover proposed by Mobley, Griffeth, Hand, and Meglino (1979).

a. Aspects of the work environment would influence the employees' affective responses to the organization, such as the OC.

b. Affective responses to the organization would influence the behavioral intentions, such as the intention to seek alternative employments.

c. Behavior intentions along with other phenomena would result in actual turnover.

With respect to the relationship between OC and employee work performance, Mathieu and Zajac (1990) found that OC had a positive, yet small relationship with performance (a corrected $r$ value of 0.14). Studies in the accounting profession have produced consistent results for the negative relationship between affective commitment and two important consequences, turnover intention and actual turnover (Ketchand & Strawser, 2001). This means that as employees are more highly committed affectively to their organization, they are less likely to consider looking for alternative job opportunities (turnover intentions). They are also less likely to actually leave the organization for other employments. Other researchers like Iverson (1996), and Somers (1995), have also reported negative effects of affective commitment on turnover intentions and absenteeism. These findings suggest that employees with high affective commitment will demonstrate high
emotional attachment, identification with, and involvement in the organization, and are therefore less likely to engage in withdrawal behavior.

Other dimensions of OC such as continuance and normative commitments, have different effects on employee withdrawal behavior. Ketchard and Strawser (1998) reported that continuance commitment was unrelated to turnover intention, while Kalbers and Fogarty (1995) observed a significant negative relationship between continuance commitment and turnover intention using linear structural relationships. Iverson and Buttigieg (1999), however, suggested that continuance commitment would have similar relationships as affective commitment with both turnover intention and absenteeism. This is because as employees begin to feel a sense of being “locked” into the organization due to high costs of leaving, they will be less likely to leave and be absent from their work. Therefore, employees with a high continuance commitment will remain in the organization, not because of their emotional attachment to the organization, but because of high costs of leaving the organization.

Normative commitment will have similar consequences as affective commitment (Iverson & Buttigieg, 1999). This type of commitment focuses on moral obligations of employees toward the organization which derived partly from the socialization practices of the organization. Employees have an obligation to reciprocate to the organization and therefore are less likely to leave and be absent from the organization.

RELEVANCE OF ORGANIZATIONAL COMMITMENT – REASONS FOR THE DECLINE

Is organizational commitment a relevant concept in today’s changing work environments and values? The preceding review indicated that organizational commitment has played important roles in explaining employee work and withdrawal behaviors especially among the Organization Man of the sixties, seventies, eighties and the nineties. However with the exit of the Organization Man from the work scene and the emergence of the New Workforce (Gen-X, Gold Collar, and knowledge workers), some writers and researchers in management and organizational behavior fields began to question the importance and relevance of organizational commitment in the study of employee work behavior and performance. Baruch (1998, p.138), for example, made a clear statement regarding this:
"...the importance of OC as leading concept in the management and behavior science is decreasing and this tendency will continue..."

To the "new breed of thinkers", the reason for the decline in importance of the organizational commitment concept is very simple. Workers will give their commitment to the organization as long as the organization gives commitment to them (Mowday, 1998). When the organization is no longer showing any interest in giving commitment, workers will reciprocate by not giving their commitment to the organization. This assumption is based on the exchange process between workers and their organizations. Commitments which the organization can give to workers are in terms of job security, employee welfare, and financial security when they retire. All these things were very important considerations for employees in the Organization Man era. This form of exchange process has developed over the years into a kind of social contract between employers and employees. A good and respected organization was the one that looked after the interests of the workers in terms of their security, welfare and comforts. Whatever happened to the organization, employees would not be asked to leave, or even if they had to leave they would be appropriately compensated. Employees too, would not leave the organization even if they were offered a better pay in other organizations. In fact they were willing to sacrifice for the sake of their organization. Such were the strengths of the bond between organizations and employees in the era of the Organization Man.

However as has been indicated earlier, business environments have changed, and beginning in the late eighties organizations began to retrench their workers or asked them to take early retirements. Such actions were seen as violating the social contract which hitherto has been the main source of the bond of commitments between employers and employees. There were other reasons for the violation of the social contract between organizations and employees, and these will be critically reviewed and analyzed in the following sections.

Organizational Restructuring

American experience has shown that, when faced with mounting competition and economic downturns, many companies would choose the easy way out by retrenching their workers. Many organizations retrenched their workers in the belief that they would cut costs and become more competitive in the global markets. The painful experience of having to be retrenched and to search for new jobs, made many
laid-off workers realize that their personal loyalty and commitment have not been fully appreciated, repaid and reciprocated by their organizations.

Mowday (1998) citing the data published by Emshoff (1994) showed that nearly 90% of the American big firms have carried out downsizing exercises. Not only the financially strapped companies downsized, even the financially sound companies retrenched their workers, but for different reasons. According to Mowday (1998), the financially sound companies downsized because they just wanted to show to the financial analysts that they were aggressively taking steps to control their costs and thus receiving good reviews from them. When that happened, their share prices would rise and they would reap profits from that exercise. On the other hand, the loyalty and commitment of employees experiencing retrenchment or seeing their friends or relatives lose their jobs, would certainly decline, and they therefore would not put too much faith in the long term relationship with their employers.

The effects of retrenchment not only were painful to those who were laid off, but also to those who remained or survived the exercise (survivors). According to Niehoff, Moorman, Blakely, and Fuller (2001) the survivors would perceive that by downsizing and retrenching, employers have violated the psychological contract which has hitherto existed between them. This would then reduce the survivors’ motivation to remain loyal to the organization, and would leave if they have the opportunities or the means to do so.

Retrenchment not only occurred through downsizing, but also through mergers and acquisitions. However, some mergers and acquisitions did not result in worker lay-offs, but reassignments or transfers to other organizations. Even then this would affect employee organizational commitment because it would not be easy to shift commitment from one organization to another organization. As Mowday (1998, p.6) rightly pointed out:

"As large corporations acquire and sell assets on what appears to be an increasingly more frequent basis, the object or focus of commitment becomes confused. Quite simply, it becomes more difficult for employees to know what the organization is and thus what they are committed to."

As more companies downsized, reengineered, merged or got acquired by other companies, many more workers were affected, either through layoffs, early retirement, transfers or reassignments. Because social
contracts have been broken, and the era of the Organization Man has more or less come to an end with the coming of the new millennium, many people believe that organizational commitment or loyalty does not mean very much to the New Workforce. As stated by Laabs (1992, p.2):

"...So to this generation, it makes no sense to give lifelong loyalty to a company they’re going to outlive..."

Japan, famous for its lifetime employment, is also undergoing similar structural transformation in its business and industry because of the financial and economic crisis which started in 1997. Many Japanese companies found it very difficult to provide lifetime employment to their workers and middle level management positions to their managers (Hirakubo, 1999). In fact many of these companies had to undergo restructuring (Risutori) which involved worker lay-offs. Some two million or more workers had to be laid off in order to make these companies profitable again (Hirakubo, 1999).

**Emergence of The New Workforce**

Laabs (1992) described the Organization Man as employees with undivided loyalty to their organizations. They only worked for one organization, and gave their whole lives in the interest and well being of the organization. They were successful employees who rose in position as the organization grew and developed. However, when the economic crises occurred in 1979-1982, many of these companies had to lay-off workers, including these successful middle and top managers (Organization Man).

The New Organization Man or the New Individualists are people who were born in 1965 to 1977. They are the new generation work force, or the work force of the new millennium (Laabs, 1992). Munk (1998) named this new group of workers as the Generation-X (or Gen-X) workers. In stark contrast to the Organization Man, these Gen-X workers (some were sons and daughters of successful Organization Man) have totally different sets of values and work attitudes from the Organization Man. They are highly educated, knowledgeable, creative, highly computer literate, smart, and hard-working. They have competencies which are portable and highly demanded by employers. However, Gen-X workers are perceived as disloyal, self-serving and ungrateful to their organization. To them, commitment must be reciprocal. They will be committed as long as the organization shows commitment to them. Although not highly committed to the organiz-
tion, they are very committed to their work and to their profession. This is because they like their job, and would give their best performance when doing the job. But they do not expect to remain forever with the organization.

What has been reported happening in the United States has also been observed in other developed countries, for example Japan. The work attitudes and values of the new generation Japanese workforce are totally different from the work attitudes and values of their parents (the Japanese Organization Man), who were known for their loyalty and high organizational commitment (Hirakubo, 1999). The new Japanese workforce, who are now in their twenties and thirties (age of the Gen-X workers), are observed to have low loyalty to their companies. The Economist (July, 1994) reported that of the 47 graduates recruited by Sony in 1994, none have indicated that they would wish to remain with Sony until their retirement age. Similarly the Labor Ministry has reported that the percentage of the workforce that would look for other jobs if they were not happy with their current work, has increased from 47% in 1987 to 64% in 1995 (Hirakubo, 1999).

It is quite clear from the preceding descriptions that work values and attitudes of the new work force have changed drastically from the values and work attitudes of the traditional Organization Man. These people no longer believe in total loyalty and commitment in exchange for lifelong employment with the organization. What these people want, according to Munk (1998) is responsibility for their own careers and independence. They want to do things that they like to do most, like earn a lot of money, spend it, do not bother saving for their retirements and they want all these now (Munk, 1998).

Knowledge Workers and Knowledge-Based Organizations

Another category of workers who are increasingly dominating the industries are the knowledge workers. Drucker (2001) defined knowledge workers as people who have the education and theoretical knowledge in certain fields, and this theoretical knowledge is obtained through formal education, and not through in-service training or apprenticeship. They use this knowledge at their work.

Knowledge workers regard themselves as professionals, and they identify themselves with the knowledge that they possess. For example, they identify themselves as “I am a physiotherapist” rather than as something else. They regard themselves as working at the organization, but not belonging to it (Drucker, 2001). This does not mean that
they are not proud of working at a particular organization or university, but they just do not feel they belong to that organization.

Another important characteristic of the knowledge workers is that they show high job mobility within their field of specialization. This means that knowledge workers will not think twice about changing a place of job, whether from one university to another, or firm or to another country, as long as they stay within their line of specialization. As explained by Drucker (2001, p.10):

"There is a lot of talk about trying to restore knowledge workers' loyalty to their employing organization, but such efforts will get no where..."

Alvesson (2000) voiced similar concern about knowledge-based organizations, which face the problem of keeping their key personnel and making them committed and loyal to the organization. Although money is not very important to knowledge workers, they must be happy and satisfied with their salaries and benefits otherwise they would not be attracted to work at the organization. A kind of new challenge is now emerging in the management of commitment and loyalty of these new breeds of workers. As echoed by Drucker (2001, p.3):

"New ways of working with people at arm's length will increasingly become the central managerial issue of employing organizations, and not just of businesses."

**IS ORGANIZATIONAL COMMITMENT IRRELEVANT?**

Although some writers have voiced their opinions and given the verdict that organizational commitment is no longer relevant based on reasons given in the preceding sections, the present writer is of the opinion that it is still too early to write off organizational commitment in the study of workers' behavior and performance. This caution is given based on the following reasons:

1. The descriptions about the Gen-X workers or the New Individualists were based mainly on opinions rather than empirical data collected over time or across a wide spectrum of jobs. Recent data based on empirical studies indicated that the organizational commitment of professional respondents was not declining. In fact, Colbert and Kwon (2000) reported that the mean value of organizational commitment of internal auditors (members of the
professional body, ACUA-Association of College and University Auditors), was 5.39 (on the Likert scale of 1 to 7), which was quite high. Argawal, DeCarlo and Vyas (1999) also found from their study that the organizational commitment for both American and Indian respondents were quite high, at 3.75 and 3.77 respectively (on a 5-point Likert scale). The Argawal et al. (1999) study was also able to identify leadership and work role as important antecedents of the organizational commitment.

Similarly a study by Finegan (2000) among employees of a large petrochemical firm also found that the mean organizational commitment of respondents was relatively high, as shown in the following table:

<table>
<thead>
<tr>
<th>Types of Commitment</th>
<th>Mean</th>
<th>Std. deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affective commitment</td>
<td>5.26</td>
<td>1.14</td>
</tr>
<tr>
<td>Normative commitment</td>
<td>4.47</td>
<td>1.12</td>
</tr>
<tr>
<td>Continuance commitment</td>
<td>3.83</td>
<td>1.13</td>
</tr>
</tbody>
</table>

Note: The instrument used was a 7-point Likert scale of 1: Not very important, and 7: Very important

From the accounting profession, Ketchand and Strawser (2001) stated that organizational commitment was a relevant concept to explain the work behavior of accountants. They also showed that affective commitment and continuance commitment existed as two separate dimensions as established by researchers in the organizational behavior area. Kinnear and Sutherland (2000) who studied knowledge workers in the fields of science and technology, financial services and information technology in South Africa, have also shown that organizational commitment was a relevant concept, as the study managed to show that the respondents’ willingness to continue serving the organization was influenced by organizational commitment antecedents such as autonomy to make decisions, monetary rewards and recognition, opportunity to grow and accessibility to up-to-date technology.

2. Gen-X employees and professionals were perceived as less committed to their organization because of their tendency to show higher commitment to their work and profession. The apparent conflict between professional and the organizational commitment might be started with Gouldner’s (1957) concepts of lo-
cals (commitment which is based on organizations) and cosmopolitans (commitment which is oriented towards wider ideals and values such as towards peers within similar professions), and both were regarded as mutually exclusive orientations. However, more recent research findings tend to indicate that these two orientations are not seriously in conflict with each other (Wallace, 1995). Therefore a professional who is committed to his profession can also show high commitment to his/her organization. If the organization can provide opportunities and working environment which meet their expectations, professionals will give their full commitment to the organization. As stated by Herriot and Pemberton (1995, p.46) and quoted by Alvesson (2000):

“professionals don’t lack organizational commitment. They are as loyal as the next person, provided that the organizations honor their side of the bargain they have struck with them.”

In an empirical study by Jauch, Glueck & Osborn (1978), it was found that loyalty to the organization and commitment to the profession were two independent orientations. This means that a person can have high loyalty to his/her organization, and at the same time high commitment to his/her profession, or low for both, or high toward one and low toward the other. Swailes (2000) who studied a group of professionals (chemical scientists and accountants) also reported that there were no conflicts between commitment to the organization and commitment to the profession. As stated by Swailes (2000, p.192):

“...it would seem beneficial for organizations to develop feeling of professionalism among the workforce as there was no evidence that high professionalism detracts from commitment to the organization as the classical local versus cosmopolitan view of professionals in organizations maintains...”

3. Mowday (1998) after reviewing some recent books on management written by well known authors like Reichheld and Pfeffer Frederick, has made the following conclusions:

1. Corporate bodies that undertake downsizing and cost cutting programs which negatively affect the human resources are actually practicing short sighted strategies which may give negative impacts on the most critical place—the bottom line.
2. Organizations which expand through strategies that enhance employee commitment toward the organization, achieve higher competitive advantage than organizations which do not utilize these strategies.

Some of the strategies identified by Mowday (1998) which could enhance employee commitment are development of self-managed work teams, decentralization in decision making, high performance-related compensation, training programs, reducing status difference, and information sharing.

From the field of human resource management, Mowday (1998) has identified practices which could enhance employee commitment, such as performance evaluation, promotional policies, and compensation and benefits. Based on these findings, Mowday concluded that human resource management practices which emphasize the development of employee commitment (rather than control) were able to increase the affective commitment and performance of the organization.

How are Mowday’s (1998) findings related to the discussion of the relevance of organizational commitment? It is apparent that organizations which are pushing their downsizing agendas to achieve the lean and mean objectives, are organizations which are not interested in, or not believing in the roles of organizational commitment. Therefore they regard organizational commitment as unimportant or even irrelevant to them. But this does not mean that organizational commitment is an irrelevant concept to other organizations. In fact, on the contrary, there are evidences which show that organizations that implement human resource management strategies which emphasize the development of organizational commitment, are achieving higher economic returns. Hence in this respect organizational commitment is a useful and relevant management construct which can facilitate organizations to achieve competitive advantage and financial success (Mowday, 1998).

Ketchand and Strawser (2001, p.243) who studied organizational commitment in the accounting profession, have made similar remarks:

"...further studies can continue to provide important benefits to accounting researchers and professionals. The need to identify factors
that influence the level of attachment formed by accounting professionals to their employing organizations is highlighted..."

SUGGESTIONS FOR FUTURE DIRECTION IN ORGANIZATIONAL COMMITMENT RESEARCH

The present review highlights some important issues which have emerged in the last few years, and which are believed to affect employee organizational commitment, such as organizational restructuring, downsizing, mergers and takeovers, knowledge workers, and Gen-X employees. These issues have led some writers to suggest that organizational commitment is no longer useful or relevant as a concept in managing employees. However, there is still insufficient empirical data in organizational commitment literature to assist us in formulating opinions regarding this issue. Hence, it is suggested that more research is needed in the following areas of organizational commitment in order to fill our knowledge gap of this very important organizational construct.

1. Organizational commitment in organizations undergoing restructuring, mergers and acquisitions, and downsizing, and its effects on employees and organizational performance.

2. The roles and influence of non-monetary benefits such as empowerment, autonomy, flexible working hours, and interesting jobs as determinants of the organizational commitment of professionals and knowledge workers.

3. The roles of some of the human resource management strategies such as mentoring, management-by-objectives (MBO), and performance evaluation (based on work objectives) as determinants of organizational commitment, and how organizational commitment in turn affects the organization's performance.

4. The multidimensional nature of organizational commitment has not been thoroughly explored and tested, and more empirical data is needed about the antecedents and outcomes of each of the organizational commitment dimension such as affective, normative and continuance commitments.

5. Organizational commitment of the new workforce (the New Individualists or the new Organization Man or the Gen-X employ-
ees) needs to be empirically explored in order to evaluate the myth which says that they are ungrateful, disloyal and uncommitted to their organizations.

6. Organizational commitment of employees who are involved in new forms of employment relationships such as the contingent workforce, virtual workers and telecommuters, need to be explored since these groups of employees are fast rising as an important and significant component of the workforce in many developed and developing countries of the world.

CONCLUSION

Organizational commitment has been found to be an important attitudinal variable in the study of employee withdrawal behaviors. It has become the focus of intensive research by organizational and behavioral scholars in the last four decades. In fact organizational commitment was found to be an important determinant of employee withdrawal behavior like turnover and absenteeism, and to a certain extent, work performance. Many antecedent variables have been found to influence organizational commitment, but these could be conveniently categorized into organizational variables, job related variables and individual or demographic variables.

An important development in the last few years that could improve our understanding of the roles of organizational commitment in employee withdrawal process, is the finding that commitment is a multidimensional construct which consists of the affective commitment, normative commitment, and continuance commitment. Meyer and Allen (1984) who spearheaded the research in this area were able to show that these three commitments were independent constructs, which could be measured using three different types of instrument.

However, lately there emerged a group of writers who suggested that organizational commitment as an organizational construct is no longer useful or relevant in the study of employee work behavior, because of the widespread occurrence of organizational restructuring, downsizing, acquisitions and mergers. In many cases these organizational changes involved employee retrenchment and layoffs. Another important reason used to support the argument was the emergence of the new workforce. The new workforce, more commonly known as the New Individualists, or the Gen-X employees, were believed to have work
values and attitudes which basically were self-centered, disloyal, and uncommitted to their employing organizations. The present paper found that despite claims of irrelevancies by certain groups of writers, organizational commitment was still at satisfactory levels among professional and non-professional employees, knowledge and ordinary employees. There was also no conflict between commitment to profession and commitment to the organization for professional employees. Hence it is premature to conclude that organizational commitment is not relevant in the study of employee work behavior. The present paper also suggests some research agendas in the future in order to widen and deepen our understanding of this important management construct.

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