

## AFFECTIVE COMMITMENT ENHANCES EMPLOYEE OUTCOME – AN EMPIRICAL EVIDENCE

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**Abstract:** Current research pertaining to employee commitment highlight the boosting of viewing commitment as one dimensional construct that can be enhanced by the employee outcome. This study aims to bring out the impact of affective commitment and employee outcome in automobile companies in Chennai. The perception of employees in the select automobile companies of affective commitment was evaluated and the relationship between these commitments, individually as well as co-operatively with employee outcome such as intention to leave, work stress and individual performance was examined. Employees who have a high affective commitment are those who will go ahead for the good of the organization. The study intends to focus on affective commitment enhances the employee outcome in automobile companies. A quantitative research is carried out to explore the relationship between affective commitment and employee outcome.

**Keywords:** Affective Commitment, Employee Outcome, Intention to Leave, Work Stress, Individual Performance.

### INTRODUCTION

#### Affective Commitment

Affective commitment addresses the emotional involvement employees feel toward their organization (Allen and Meyer, 1990; Mowday et. al., 1979). Affective commitment is the employee's affection with the organization and its purposes. This add-on may develop due to various factors such as brand image of the organization, independence, demanding tasks, relationship with colleagues, superiors and subordinates and other work circumstances. Individuals experiencing high affective commitment have an emotional attachment to the organization and relish in organization membership (Allen and Meyer, 1990; Meyer and Allen, 1991). These individuals want to stay with their organization. Johnson et. al., (2010) point out that such self-determined motivation helps to explain the strong relationships found between affective commitment with job performance and organizational citizenship behaviors. These positive emotional experiences create an affective attachment to the source of choices, with stronger attachment coinciding with the most perceived choices (Lawler, 1992). Hochschild (1983) found that individuals will typically credit and develop stronger ties to the organizational entity they perceive to be closer to their own day-to-day activities. Therefore, an individual will maintain an attachment to the larger organization, but will preserve a greater or stronger attachment to the organization.

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A number of researches have found that affective commitment is negatively correlated to labor turnover (Hackett et. al., 1994) and was positively correlated to organizational citizenship behavior (Moorman et. al., 1993). Individuals who have a high affective commitment have an emotional attachment to the organization and want to stay in the organization (Allen and Meyer, 1990). Johnson et. al., (2010) has demonstrated a strong relationship between affective commitment with job performance and organizational citizenship behaviors. Mathieu and Zajac (1990) and Meyer et. al., (2002) have found a positive correlation between affective commitment and job performance and organizational citizenship behaviour whereas (Fischer and Mansell, 2009) found contradictory results that lower turnover among Japanese workers does not coincide with affective commitment. Affective commitment is the most predictive of employee behaviour (Morin et. al., 2011). Hansen et. al., (2003) found affective commitment of an employee positively influences the employee's behavior in the organization.

Affective Commitment is defined as "It is an emotional bonding towards the organization in order to stay in the organization".

### **EMPLOYEE OUTCOME**

Employee outcome is measured by

- Intention to leave
- Work stress
- Individual Performance

#### ***Intention to Leave***

Intention to leave refers to conscious and deliberate willfulness to leave the organization and it is defined as "individual's own estimated possibility that they are permanently leaving the organization at some point in the near future" (Vandenberg and Nelson, 1999). Intention to quit is largely influenced by job dissatisfaction, lack of commitment to the organization and feelings of stress. Employees may leave an organization either voluntarily or involuntarily. Voluntary turnover is an employee's decision to terminate the employment relationship. Involuntary turnover is an employer's the resource must add value to the firm, is rare, cannot be imitated, and is non substitutable. Turnover intention is among the strongest predictors of actual turnover and employee commitment is one of the most important antecedents to turnover intention (Thatcher et. al., 2003; Mitchel, 1981). Turnover can be negative or positive to organizations. One of the main negative consequences of turnover is the personnel costs associated with selection, recruitment, training and development of new employees to replace the employees who voluntarily quit the organization.

### ***Work Stress***

Work stress can be defined as the harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources, or needs of the worker. Stress refers to an individual's reaction to a situation or aspect of the environment that is perceived as stressful and a threat to one's well-being. Stress experienced on the job and therefore the interaction between an individual and the work environment was of interest. Stress at work is the awareness of an uncomfortable response to particular conditions that leads to deviations from normal functioning, however, it is also generally short-term (Parker and DeCotiis, 1983). Work stress has become a major challenge for the organizations due to its immense occurrence. The employees work behavior is greatly affected due to stress. It is understood that employees are the most important assets of the organizations due to their major role in running the organization effectively and successfully and cannot be treated like machines.

The employees who experienced less stress are more cooperative and serve as assets for an organization, but when the organization ignored its employees stress and needs, and then the results are increased absenteeism, cost, low productivity, low motivation and usually legal, financial damages which eventually affect the employee work behavior and lead him/her towards the counterproductive work behavior (CWB). McGrath (1976) proposed a definition of stress; he defined the stress as a situation in which a person is required to perform the tasks that threatens to exceed the person's ability and resources for meeting it, under conditions where he or she expects a large difference in the rewards from meeting the demand versus not meeting it. Walonick(1993) job stress has been the most vital issue in the workplace in both the developed and the developing countries, but stress has turned into a massive challenge for employer mainly in developing nations where the employer doesn't provide much weight and attention to the employee stress. There are a numeral workplace factors, called job stressors that make job demanding and complicated for employees in services as well as in other sectors. Other stresses include negative behavior at work, such as absenteeism, increased turnover of employees and employees involved in theft, workplace deviance and aggression. Workplace stress has a considerable consequences on employee work behavior, but it is made even worse when an employee receives a little support from their supervisors and boss which inadequately affect the employee behavior inside the organization.

### ***Individual Performance***

Individual performance is a spotlight outset within the work and managerial psychology. Throughout last decades, researchers have step forward in illuminating and developing the performance concept (Campbell, 1990). In addition, progress

has been made in denoting the key predictors and succession allied with individual performance. Achieving the effort to perform at a peak level can be a base of satisfaction and pride. Individual performance is a crucial outcome measure in studies in the workplace. Many frameworks have been developed to measure the individual performance (Koopmans et. al., 2014).

Organizations want for high performing individuals in turn to summon their needs and to attain their feasible advantages. Low performance and not realizing the tasks may be skilled as frustrate or even as a personal failure. The job related activities expected of a worker and how well those activities were executed. Many business personnel directors assess the employee performance of each staff member on an annual or quarterly basis in order to help them identify suggested areas for improvement. Individual performance has received an important status in organizational behavior research during the past decade (Wright, Gardner and Moynihan, 2003). Since last many years, particularly in the banking industry, the research on human resource practice has played a significant and important role in management and firm performance. Much involvement of HR practices leads to competitive benefits and performance of a firm (Farndale et. al., 2011).

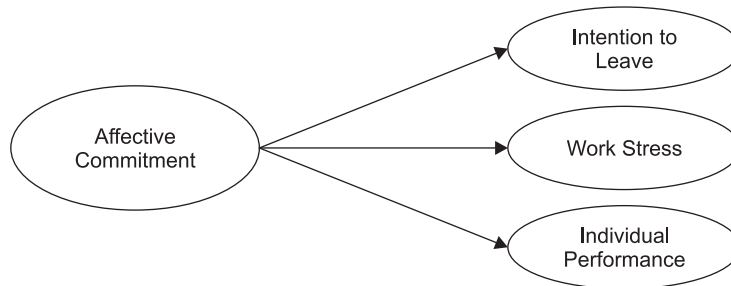
### Research Objectives

- To identify the influence of Affective Commitment on Employee Outcome

### Research Hypotheses

- Affective Commitment influence on Employee outcome

### Conceptual Framework



### RESEARCH METHODOLOGY

Descriptive approach is used to bring out the relationship between affective commitment and Employee Outcome. The respondents were collected from the employees of automobile companies. Employees from each of the three companies

were selected by the convenience sampling method. A total of 38 items was used for this survey, excluding demographic variables. The collected data were appropriately coded and uploaded into a computer. Statistical package for social science (SPSS) version 20 was used to process the data and for the application of statistical tools. Structural Equation Modeling (SEM) was used for testing the relationships among observed and latent variables (Hoyle, 1995) – in this study to examine the relationship between Affective Commitment and Employee Outcome. Confirmatory Factor Analysis was applied to test the study model for consistency with the observed data. The reliability test has been carried out to validate the internal consistency of the variables attained in the sample. The cronbach's alpha is found for affective commitment is .779 and .764 employee outcome, which is higher than the minimum acceptance level (Nunnaly, 1978).

## DATA ANALYSIS

### Affective Commitment and Employee Outcome

The path relationship between affective commitment and employee outcome.

The coefficient of determination, R<sup>2</sup> is .996 for Affective Commitment. Endogenous latent variables highly explain 99.6% of the variance in Affective Commitment.

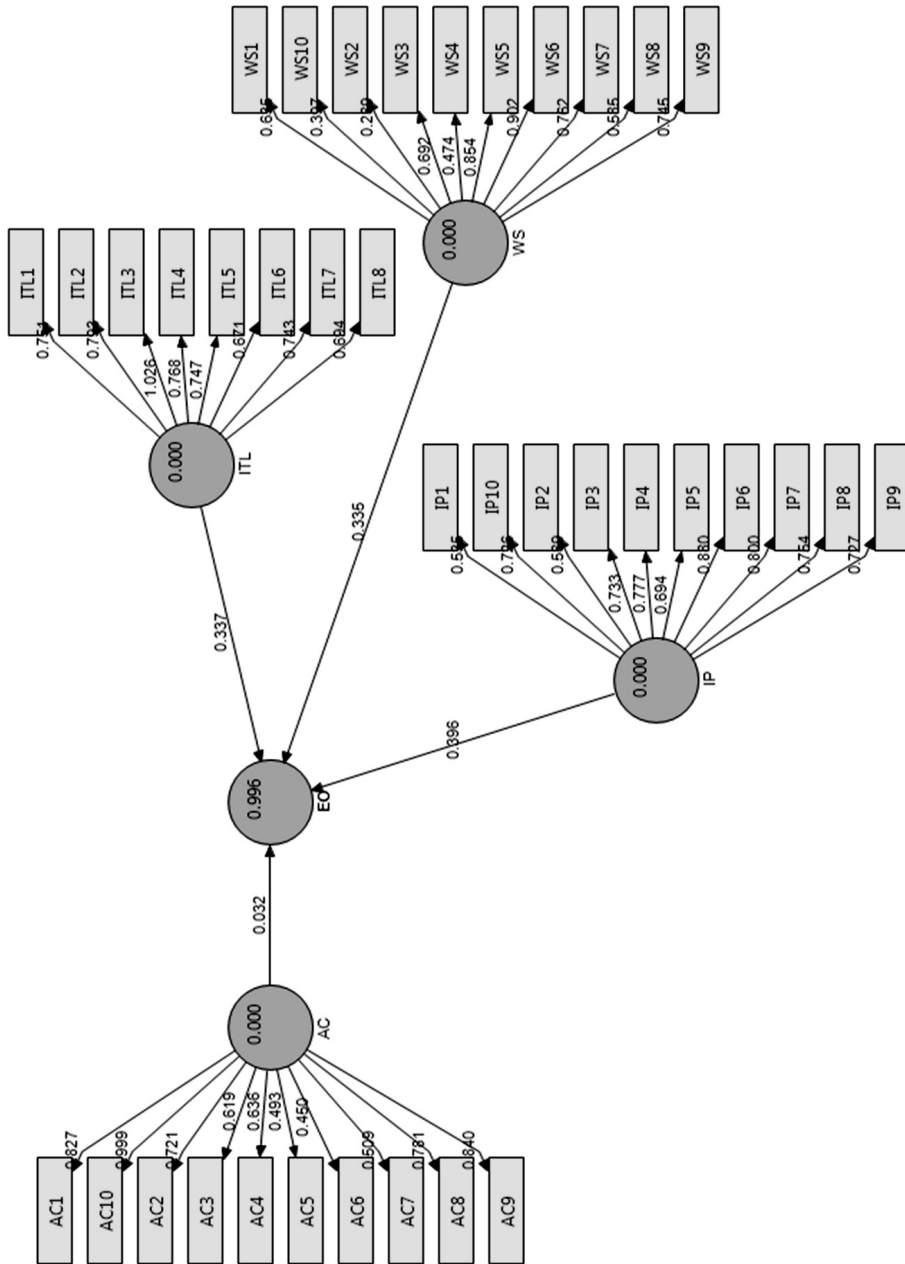
Affective Commitment has a higher impact on Individual Performance (.396) followed by Intention to leave (.337) and Work stress (.335).

The hypothesized path relationship between Affective Commitment and Employee Outcome like Intention to leave (ITL), Work stress (WS) and Individual Performance (IP) is statistically significant, because it standardized path coefficient (.337, .335 & .396) is greater than (0.1).

Thus we conclude that there is a strong relationship between employee's affective commitment and employee's outcome, such as Intention to leave, work stress and individual performance.

### Fit Indices Affective Commitment and Employee Outcome

	<i>AVE</i>	<i>Composite Reliability</i>	<i>R Square</i>	<i>Cronbachs Alpha</i>
AC	0.517368	0.899555		0.850977
EO	0.528681	0.916323	0.99627	0.853529
IP	0.526319	0.832902		0.761773
ITL	0.600226	0.921874		0.866237
WS	0.510340	0.959445		0.943964



**Internal Consistency Reliability**

In PLS-SEM, composite reliability is used to measure internal consistency (Bajozzi and Yi, 1988), (Hair et. al., 2012). From the above table it is inferred that all values are higher than the preferred level of 0.7. Hence the reliability is high.

**Convergent Validity**

To check the convergent validity in each latent variable Average Variance Extracted (AVE) is evaluated and it is found that all the AVE values are greater than the acceptable threshold of 0.5. So, the convergent validity is confirmed.

**CONCEPTUAL MODEL RELATIONSHIP BETWEEN DEPENDENT AND INDEPENDENT VARIABLES**

The hypothesized relationship between Affective Commitment and Employee Outcome like Intention to leave (ITL), Work stress (WS) and Individual Performance (IP) is statistically significant, stating that there is a strong relationship between employees' affective commitment and employees' outcome such as intention to leave, work stress and individual performance.

**FINDINGS**

The study concluded that a strong relationship exists between affective commitment and employee outcome. Committed employees do better to organizations and perform because they behave on achieving employee outcome. Specially, affective commitment is the strongest predictor of the demonstration of employee outcome. The empirical results indicate that there is a fairly high relationship between affective commitment and individual performance.

**CONCLUSION**

The current study examined whether commitment affects the employee outcome by influencing various employee outcomes such as intention to leave, work stress and individual performance.

Affective commitment is the understanding that has most budding benefit for an organization, as it directly influences how employees perform their jobs. This form of commitment is increasingly referred among the HR professionals and it the form most usually measured by organizations. Organizations that take positive steps to create commitment appreciate that it is a vital component of business success. Commitment has more positive outcomes for the organization in terms of employee performance.

The commitment of the automobile employees is also emphasized through their affective commitment to their organizational goals. It has been assumed by

research that individuals who were highly committed towards their jobs are likely to be more productive, have a higher satisfaction level and have less likely to leave the organization. Their employees may be more likely to maintain consistently high performance, increase their competitiveness and productivity, and their actions might result in higher profitability for the organization.

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