

FACTORS AFFECTING ORGANIZATIONAL COMMITMENT AMONG EMPLOYEES OF ABOVHR: A STRUCTURAL EQUATION MODELLING APPROACH

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ABSTRACT

Organizational commitment is a critical factor influencing employee performance, retention, and overall organizational success. This study explores the factors affecting organizational commitment among employees, emphasizing individual, organizational, and environmental dimensions. Key determinants include job satisfaction, leadership style, workplace culture, opportunities for professional growth, and work-life balance. The research highlights the significance of employee perception, equitable reward systems, and transparent communication in fostering commitment. Additionally, external factors such as economic conditions and industry trends play a pivotal role. The findings underscore the importance of aligning organizational goals with employee values to enhance engagement and loyalty. Insights from this study can guide managers in designing strategies to strengthen organizational commitment and ensure sustainable workforce development.

Keywords: Organizational Commitment, Employee Engagement, Job Satisfaction, Workplace Culture, Leadership and Management.

1. INTRODUCTION

Mowday, Porter, and Steers (1982): "The degree to which a person identifies with and participates in a certain organization is known as their organizational commitment. It consists of a strong desire to stay a member of the organization, a readiness to put in a lot of work on its behalf, and a strong belief in and acceptance of its goals and ideals." "Organisational commitment is the process by which individuals come to identify with and become attached to their employing organisation, largely driven by their satisfaction with job experiences and the organisation's ability to meet their expectations." Angle and Perry (19 1981): "Organisational commitment is the strength of an individual's identification with and involvement in a particular organisation, measured by willingness to exert effort on behalf of the organisation and a desire to remain in the organisation." "Organisational commitment is the attachment of an individual's fund of affectivity and emotion to the group, based on shared goals and values, which results in a desire to continue. Jaros (1997): "Organisational commitment is a psychological bond between an individual and the organisation that reflects the extent to which the individual feels aligned with the organisation's goals and values and has a desire to maintain membership." AbovHR Private Limited (OPC) is a dedicated employment services firm specializing in offering comprehensive solutions across various sectors. Established on 21st September 2015, the company is headquartered in Chennai, Tamil Nadu, and has been actively serving the professional, scientific, technical, administrative, and support services sectors. With over 9 years of operational experience, AbovHR Private Limited (OPC) has built a reputation for its deep industry expertise and commitment to matching the right candidates with the right job opportunities.

Trends in the recruitment Industry:

1. Technology and Digital Transformation:
2. Rise of the Gig Economy
3. Focus on Diversity and Inclusion Employer Branding
4. Remote Work and Global Talent Pool.

Need for the study:

1. Address Employee Retention Challenges:
2. Enhance Organizational Performance.
3. Improve Job Satisfaction.
4. Develop Strategic HR Policies.
5. Support Business Growth.

OBJECTIVES OF THE STUDY

1. Examine the impact of salary and compensation on organizational commitment among employees of AbovHR.
2. Assess the influence of work environment on employees' organizational commitment at AbovHR.
3. Analyse how work recognition affects organizational commitment among employees.
4. Evaluate the combined effects of salary, work environment, and work recognition on organizational commitment through structural equation modelling (SEM).

CONCEPTUAL FRAMEWORK:



2. REVIEW OF LITERATURE

Khajuria and Khan (2022) conducted a comprehensive literature review to evaluate various instruments measuring organizational commitment. After scrutinizing 195 studies, they shortlisted 37, based on inclusion criteria. Their analysis identified seven instruments, with a detailed focus on three widely used measures.

Llobet and Fito (2013) analysed the theoretical frameworks of organizational behaviour and job satisfaction in light of the social and economic changes affecting Western countries. Their review of classical literature led to a discussion on the evolution of these frameworks and the need for new research directions to assess the effectiveness of current human resource practices.

Faloye (2023) explored the relationship between dimensions of organizational commitment and turnover intentions within a Nigerian paramilitary organization. The study was grounded in a literature review that provided the basis for four research hypotheses, which were tested at both 95% and 99% confidence levels.

Omotayo and Omotayo (2023) investigated the relationship between compensation management and organizational commitment within the context of Indian manufacturing companies. Analyzing data from 500 workers, the study highlighted that effective compensation, both monetary and non-monetary, is essential for motivating employees and enhancing organizational performance.

Darus, Azizan, and Ahmad (2023) investigated the mediating role of psychological empowerment in the relationships between work stress, pay satisfaction, and organizational commitment among academic staff in public universities. The study surveyed 297 academics using SPSS for data analysis. Results showed a significant link between work stress and organizational commitment, as well as notable relationships among pay satisfaction.

Lee and Cha (2023) examined the effects of work environment and resilience on job satisfaction and organizational commitment among social workers in juvenile reformatory schools. With the shift toward restorative justice in Korea, social workers were assigned to these schools in 2010 to enhance juvenile rehabilitation.

Amdan et al. (2023) investigated the impact of office environment on organizational commitment, with a focus on the moderating role of extrinsic motivation. The study involved 250 administration employees from two manufacturing organizations in Malaysia and employed a quantitative research design using survey questionnaires.

3. RESEARCH METHODOLOGY

Descriptive Design

The study adopts a descriptive research design. This design is employed to describe the current conditions and explore the relationships between the independent variables (salary and compensation, work environment, and work recognition) and the dependent variable (organizational commitment). It aims to offer a clear understanding of how these factors influence employees' commitment to the organization.

SAMPLING TECHNIQUE

Convenience Sampling

For this study, convenience sampling was used, where respondents were selected based on their availability and willingness to participate. This non-probability sampling method allowed the researcher to gather data from employees in a practical and accessible manner.

METHODS OF COLLECTING DATA

- Primary Data Collection:
- Secondary Data Collection:

DATA COLLECTION RESEARCH INSTRUMENT

The research instrument used for primary data collection was a structured questionnaire designed to capture employees' perspectives on the four key variables: organizational commitment, salary and compensation, work environment, and work recognition.

4. RELIABILITY ANALYSIS

The reliability of the scales used in the questionnaire was tested using Cronbach's Alpha, a measure of internal consistency. The following values indicate that the questionnaire is reliable:

Dependent variable	Cronbach's Alpha	Number of questions
Organizational Commitment (OC)	0.820	3
Independent Variables	Cronbach's Alpha	Number of questions
Salary and Compensation (SC)	0.867	3
Work Environment (WE)	0.876	2
Work Recognition (WR)	0.828	2

These Cronbach's Alpha values, all exceeding the acceptable threshold of 0.7, indicate good internal consistency for the scales used in measuring the variables.

DATA ANALYSIS AND INTERPRETATION

Hypotheses:

H1: Salary and compensation have a significant positive effect on organizational commitment among employees of AbovHR.

H2: A positive work environment significantly enhances organizational commitment among employees of AbovHR.

H3: Work recognition has a significant positive influence on organizational commitment among employees of AbovHR

ANOVA TEST

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
SCmean	Between Groups	52.935	9	5.882	19.823	.000
	Within Groups	27.001	91	.297		
	Total	79.936	100			
WEmean	Between Groups	40.532	9	4.504	4.984	.000
	Within Groups	82.231	91	.904		
	Total	122.762	100			
WRmean	Between Groups	57.323	9	6.369	12.505	.000
	Within Groups	46.351	91	.509		
	Total	103.673	100			

Correlations					
		OCmean	SCmean	WEmean	WRmean
OCmean	Pearson Correlation	1	.788**	.540**	.701**
	Sig. (2-tailed)		.000	.000	.000
	N	101	101	101	101
SCmean	Pearson Correlation	.788**	1	.643**	.740**
	Sig. (2-tailed)	.000		.000	.000
	N	101	101	101	101
WEmean	Pearson Correlation	.540**	.643**	1	.542**

	Sig. (2-tailed)	.000	.000		.000
	N	101	101	101	101
WRmean	Pearson Correlation	.701**	.740**	.542**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	101	101	101	101
**. Correlation is significant at the 0.01 level (2-tailed).					

INFERENCE

The correlation analysis indicates strong relations hips among the variables.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.037	.179		-.205	.838
	SCmean	.641	.109	.580	5.886	.000
	WEmean	.024	.070	.027	.341	.733
	WRmean	.251	.087	.258	2.875	.005
a. Dependent Variable: OCmean						

INFERENCE

The regression analysis reveals the following insights regarding the influence of different variables on organizational commitment (OCmean):

1. SCmean (Supervisory Commitment):

- o Unstandardized Coefficient (B): 0.641 (p < 0.001)
- o This indicates a strong positive effect on OCmean, suggesting that for every unit increase in supervisory commitment, organizational commitment increases significantly.

2. WEmean (Work Effectiveness):

- o Unstandardized Coefficient (B): 0.024 (p = 0.733)
- o This coefficient is not statistically significant, indicating that work effectiveness does not have a meaningful impact on organizational commitment in this model.

3. WRmean (Work Recognition):

- o Unstandardized Coefficient (B): 0.251 (p = 0.005)
- o This shows a positive effect on OCmean, indicating that increased work recognition is associated with higher organizational commitment.

Overall, the results highlight that supervisory commitment and work recognition significantly contribute to enhancing organizational commitment, while work effectiveness does not play a significant role in this context.

5. CONCLUSION

The study successfully demonstrated that salary and compensation, work environment, and work recognition significantly influence organizational commitment among employees at Abov HR.

The most prominent factor driving commitment is salary and compensation, followed closely by work recognition. While work environment plays a role in shaping employee perceptions, its direct impact on commitment is less pronounced.

AbovHR should prioritize enhancing compensation packages and work recognition efforts to foster higher levels of organizational commitment, which can lead to better retention, productivity, and overall organizational performance. These findings offer valuable insights for designing HR policies that align with the company's long-term strategic goals.

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